THE CHINA WEEKLY

REVIEW

Devoted to the Economic, Political and Social Development of China and its Intercourse with Other Nations

House of Commons Versus the British Chamber

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Diplomatic Procession Starts South!

SATURDAY, FEBRUARY 2, 1929

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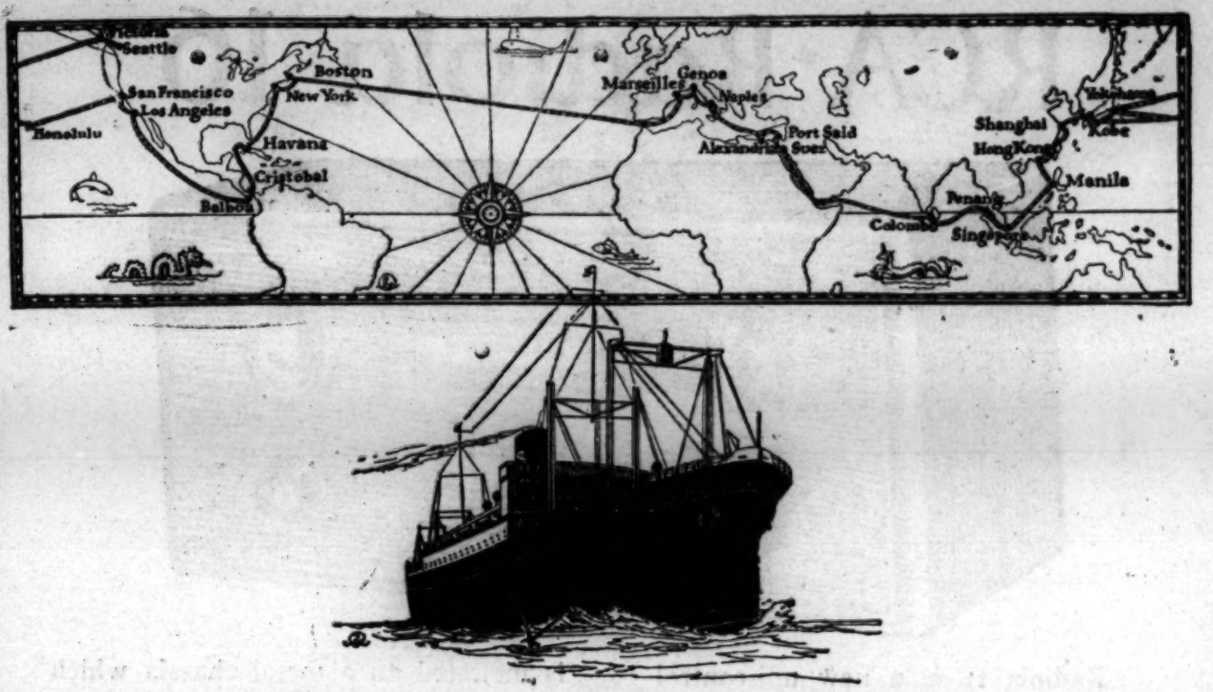

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Contents

Editorial Paragraphs

Diplomatic Procession Starts South ! 339
Chinese Ex-Patriots in the Japanese Zone 400
Proposal to Sell the Electric Plant 401
More Puzzling Japanese Diplomacy 402
House of Commons Versus the British Chamber 404

Special Articles

Modern Paper Manufacturing in Shanghai ... By B. Y. Lee 407
The Strategy of Singapore ..... By Nicholas Roosevelt 410
Water Power in Szechuan ..... By W. R. Manly 412
The Anticipation ..... By Han Lih-wu 415
Zinc in the Far East ..... By Boris P. Torgasheff 418
China's Industrial Revolution ..... By Count Carlo Sforza 428
Men and Events 432
Who's Who in China 433
Japanese News Reports on Chinese Situation 434
From the Chinese Press 435
New Books of Interest in the Far East 436
What the Ships Carry between America and China v

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DIPLOMATIC PROCESSION STARTS SOUTH!

THE BRITISH are again to be congratulated on their diplomatic move in sending Mr. Basil Newton, Counsellor of Legation, to Shanghai and Nanking where he will be permanently stationed as the British Government's diplomatic representative for the purpose of facilitating communication with the National Government. Whether Mr. Newton will be able to accomplish any more than the British Consul, Mr. Maurice Hewitt who is stationed in Nanking might be expected to accomplish, is impossible to say. But the sending of Mr. Newton to Shanghai at least satisfies the "face" element and constitutes a further friendly move on the part of the British Government toward National China. We believe it was the Cuban Minister who first announced his intentions of removing from Peiping to Nanking, but the announcement of the British Government constitutes the first actual move away from the old Northern Capital at Peiping. In addition to this move on the part of the British Government, it has been reported that the Japanese Minister, Mr. Yoshizawa, has rented a house in Shanghai and is planning to either remain here himself or station a representative of the Japanese Legation in this city. Owing to the present crisis in Sino-Japanese diplomatic relations, it is natural that the Japanese would make no public announcement regarding their plans, but it is significant nevertheless that they feel the necessity of keeping in closer touch with the National Government than is possible by remaining in the old Legation Quarter and depending upon telegraphic reports transmitted by the round-about-way of Nanking and Shanghai. While nothing has been stated regarding the intentions of the American Government it is known that Mr. Mahlon Fay Perkins, Counsellor of Legation, has been in Nanking for several days and may remain there. The American Military Attache, Major John McGruder, and Naval Attache, Capt. Halsey Powell, have also been in Nanking recently, supposedly for the purpose of investigating the matter of stationing an American diplomatic representative at the National Capital.

OF INTEREST in connection with the foregoing is a report from Peiping stating that the Peiping Branch Political Council has initiated a movement for the abolition of the old Legation Quarter and the incorporation of that area under the jurisdiction of the Chinese administration which controls the rest of the city. The report appeared in the *Sin Wan Pao* on Jan. 29 and stated that the time had arrived for the abrogation of the Boxer Protocol and the handing over of police control in the Legation Quarter to the Chinese authorities. It was suggested

that the National Ministry of Foreign Affairs should send a representative to Peiping for the purpose of discussing the question with the various foreign ministers. As to the attitude of the foreign ministers it was stated that the diplomats are divided into three camps, one group maintaining that the status of the Legation Quarter should be maintained in strict accordance with the terms of the Protocol of 1901. Another group was of opinion that the Quarter should be abolished in view of the fact that China is now unified and the Boxer Protocol constitutes one of the "unequal" treaties which should be abolished. The third group favored the handing over of police control of the Legation Quarter to the Chinese, but was of opinion that such action should be accompanied by certain guarantees and the reimbursement of the Powers for improvements which had been made in the Quarter since it was first set aside for use of the foreign Legations. That the old Legation Quarter in Peiping will have to be abolished, is obvious because there is no longer any particular purpose in maintaining it. There was a time shortly following the establishment of the National Government at Nanking when the Kuomintang authorities might have considered keeping their Capital in Peiping for a few years or at least until new administrative buildings could be erected in Nanking. Had the foreign ministers in Peiping possessed sufficient vision and immediately iniated a movement for the abolition of the Legation Quarter and the revision of the Boxer Protocol, the Nationalists might have established their Capital in Peiping, at least temporarily. But since there was little possibility of the foreign ministers possessing such vision, it was obvious that the Chinese leaders would not consider a return to that city with its traditions of reaction and imperialism,

CHINESE EX-PATRIOTS IN THE JAPANESE ZONE

THE CITY of Dairen is located on the Liaotung Peninsula, a portion of Fengtien Province of South Manchuria which extends down into the Gulf of Chihli. The Liaotung Peninsula is a Japanese zone, being so-called "leased territory" controlled by the Japanese who obtained it originally from the Russians. The Chinese claim that the old Russian lease has expired, but the Japanese claim otherwise since they forcibly extended the lease for another ninety-nine years at the time of the notorious Twenty-one Demands of 1915. Like most foreign concessions and leased areas, Dairen is largely populated by Chinese, but the situation is somewhat different at Dairen because of the character of the Chinese population, being composed largely of political refugees. For many years Dairen has been a happy-hunting ground for the Chinese officials, particularly militarists from the old regime who have fled there in order to get away from the rising tide of Kuomintangism or Nationalism. Japan has gladly granted refuge to these ex-officials because most of them have been intimately connected at some time or other with Japanese aggressions in China. For example when the Anfu Clique was in power in Peiping during the course of the World War, it was through this group of Chinese officials that Japan worked in her plans for subsidizing China's military establishment whereby Japan expected to control Chinese politics. It was the Anfu Clique which negotiated most of the so-called Nishihara loans whereby China was saddled with a foreign debt variously estimated from $300,000,000 to $450,000,000. Most of this money went into the pockets of this clique and by them was deposited in Japanese banks or invested in enterprises within the Japanese zone. Then there are other Chinese militarists and politicians such as Gen. Chang Chung-chang, the former Tuchun of Shantung who looted his province and also deposited the money in Japanese banks. Dairen is filled with officials of this class who have found refuge within the Japanese zone and it is their money which largely contributes toward the prosperity of the place. If the National Government had half the money which these corrupt Chinese officials have stored up in the Japanese zone at Dairen, it probably could liquidate the entire Chinese debt to Japan and still have enough left over to finance famine relief work in most of North China. But National China cannot get at this money because it is locked up in the Japanese banks and the depositors of the money are living securely in Dairen under the protection of the Japanese flag. Even at this the situation would not be so bad if the Japanese would prevent these Chinese officials from conducting intrigues in Chinese territory. But Japan not only does nothing to stop the intrigue, but according to foreigners residing in Manchuria, the Japanese military authorities in Manchuria even cooperate with these reactionary Chinese officials by supplying them with arms and by providing them with transportation facilities on Japanese boats. For several months it has been rumored that the Japanese authorites at Dairen have provided facilities whereby Gen. Chang Chung-chang and his fellow reactionaries at Dairen have intrigued with bandit organizations in Shantung for the purpose of discrediting the Nationalists and providing the Japanese with an excuse for keeping their military in Shantung indefinitely. A correspondent for *The Review* in Manchuria recently suggested that the Chinese political refugee colony in Dairen would bear watching, a suggestion that was emphasized last week when a considerable section of former Chihli-Shantung troops on the northern Shantung coast rebelled and looted several villages before they could be dispersed by the Nationalist troops.

PROPOSAL TO SELL THE ELECTRIC PLANT

THE *Shanghai Times*, local British newspaper, has been conducting a propaganda campaign, the apparent purpose of which is to create a public opinion in Shanghai that would be favorable to the sale of the municipally-owned electric light and power-plant to private foreign interests. The first article appeared in the *Times* on Saturday, Jan. 26 and stated that "three separate interests are in the field to acquire the Electricity Undertaking", and that the matter of disposing of the plant, which is valued at Tls. 50,000,000 will be brought before the next annual meeting of the Shanghai Ratepayers (tax-payers). Among the arguments advanced in favor of disposing of the plant was the suggestion that by disposing of the electricity department to private interests, the International Settlement could realize sufficient money to pay off its bonded indebtedness amounting to more than Tls. 40,000,000. In further explanation it was stated that the Shanghai Municipal Council for several months had been considering the advisability of either selling the Electric Light and Power Plant outright, or creating a limited liability company in which the Settlement would maintain a controlling interest. In reference to possible buyers of the plant, it was stated that a certain British expert had been in Shanghai for some time

making an investigation and that representatives of American and other British electrical interests were coming to Shanghai for a similar purpose. The American interests were not named, but it is understood that the General Electric Company of America and a subsidiary company in Great Britain are interested in the question and are sending representatives here.

THE REAL inspiration for the proposal to dispose of the Municipal Electricity Department is based upon apprehension regarding the stability of local conditions in the event of a change in the status of the International Settlement. As stated in the preceding paragraph, the Interational Settlement has a bonded indebtedness of more than Tls. 40,000,000, most of which is held by foreign banks and interests in Shanghai and in Great Britain. These bonds are guaranteed by local revenues which are derived from taxes, wharfage dues and profits of the Electricity Department. Up to January, 1927, the credit of the International Settlement was excellent, but since the political complications which have developed since the coming into power of the Nationalist due to the demand for the retrocession of the foreign concessions, Municipal Debentures have slumped and the Council has experienced considerable difficulty in disposing of new loans. The result is that foreign financial interests holding Municipal Debentures have become apprehensive regarding the future, hence the proposal to sell the Electric Light and Power Plant in order to raise a sufficient fund to pay off the debenture holders. There is still another element involved which is worth mentioning and that is the control of the Electricity Department, Although Shanghai has been called an "international" Settlement and always has had a minority representation on the part of American, Japanese and other foreign residents, it has actually been operated as a British colony, this situation particularly applying in the management and control of the Electricity Department which has been the revenue-producing element in the local municipality. Practically all of the machinery and equipment in the Electricity Department is of British construction, the plant having absorbed most of Britain's exports of electrical goods to China for several years. The fact that the local powers-that-be are now considering the sale of the plant would seem to indicate that British interests do not hope to maintain their exclusive control much longer, hence their decision to "get out while the getting is good," to use a slang term but an expressive one nevertheless. Thus we have two elements in the situation which apparently are largely responsible for the decision to sell the plant: First it would offer an opportunity for the holders of Municipal Bonds to unload at better prices than might prevail later on after the foreign status of the Settlement has been changed or modified; and second, it would offer an opportunity for the British commercial and financial interests which control the plant and the sale of equipment for the plant, to liquidate on better terms than might prevail later on. As a matter of fact the interests which have monopolized the sale of equipment and supplies for the Electricity Department, have been engaged for many months in "loading" the plant with new equipment, much of which, according to report will not be needed for several years.

THE Shanghai Municipal Electric Light and Power Plant is one of the largest in the world, the sale of current in 1927 amounting to 400,348,385 kilowatt hours, the year's working showing a profit of Tls. 2,292,554 after meeting interest and all other net revenue charges. The return on the capital investment was estimated at 12.43 percent. The profit for 1928 is expected to reach practically Tls. 2,500,000. The total number of consumers of electricity is approximately 60,000, an increase from 43,378 in 1926. There are 308 foreign employes and 3,191 Chinese. The cost of power for factory use in Shanghai is said to be lower than in most large cities, an element which has largely been responsible for the phenomenal development of manufacturing, particularly in cotton spinning and weaving, at Shanghai. The plant was originally started as a private enterprise, but was taken over by the municipality in 1893, the cost to the local government being only Tls. 66,100.

AN interesting phase of the present negotiations for the sale of the Municipal Electric plant will have to do with the reactions of the Chinese who have, through their contribution of approximately 60 percent of the local taxation income of the Settlement, contributed largely to the development of the Electricity Department. While the foreign Ratepayers probably have a legal right to dispose of the plant without reference to the wishes of the Chinese residents of the Settlement, it is exteremely questionable whether the foreigners would wish to disregard the wishes of the Chinese because Chinese antagonism might cause foreign interests to hesitate to invest money in an industry of this size which would require Chinese good-will for future success. Still another phase of the situation which would have to be taken into consideration is the fact that the Kuomintang program is generally opposed to the private control of public utilities, this being one of the elements of "Sanminism" which provides for strict limitation of private monopolistic enterprises. And finally it is extremely questionable whether the National Government would agree for Shanghai, a city in which Chinese already possess the major financial investment, to dispose of its largest single asset prior to the rendition of the administration to Chinese control The probabilities are that the Chinese will look upon the scheme to dispose of the electricity department as a plan whereby the foreigners would dispose of the kernel and hand China the empty shell.

LOOKING at the proposed transaction from the purely selfish standpoint of the foreigners, there is much to commend it from the viewpoint of the rendition of the Settlement to Chinese control, because the liquidation of the bonded indebtedness of the Settlement would remove one of the chief stumbling blocks to the assumption of control by the Chinese. As stated in the foregoing, the present apprehension which exists in respect to the future of the foreign area has been responsible for a slump in the value of municipal debentures. Owing to the fact that most of the debentures are held by foreign interests, it is natural to expect these foreign bond-holders to oppose any change in the status of the settlement that might react against their financial investment. But with the debentures liquidated through revenues obtained from the sale of the Electric Light and Power Plant, this objection would be removed for there would no longer be any need for apprehension regarding the future value of municipal bonds. All of this naturally is still in the field of speculation for it still remains to be seen whether there is anything more behind the present propaganda for the sale of the plant than a scheme of local stock-speculators to realize handsome commissions. But if there is a genuine move on foot to dispose of the plant, there are many elements to be

taken into consideration, other than those pertaining to Chinese reactions referred to in the foregoing. In general, municipally-owned plants, if efficiently operated, are able to supply light and power at lower cost than privately-owned plants. Shanghai for many years has suffered because of the inefficiency of the foreign monopoly which controls the telephone service, hence it is unlikely that the residents of this city would voluntarily saddle themselves with another in the form of an electric light and power monopoly.

More Puzzling Japanese Diplomacy

WHILE IT WAS announced from Nanking on Tuesday, Jan. 29 that the Sino-Japanese negotiations had not entirely broken down and there were still prospects for an understanding on the Tsinan incident, the general feeling among the Chinese is that little more is likely to result from the present negotiations between Dr. C. T. Wang and Mr. Yoshizawa than had resulted from previous negotiations and discussions which have taken place between delegates of the two countries since October of last year. The Chinese still believe that Mr. Yoshizawa is playing the same game as other Japanese, official and otherwise, who have preceded him to Nanking for the purpose of "investigating the situation" the Japanese purpose being to create propaganda which would help General-Baron Tanaka over a tight place in his own domestic political situation. In order to understand what has taken place in Sino-Japanese diplomatic relations since last October, the following summary is reprinted from the December 15 number of *The Review*,

October 19—General-Baron Tanaka, Japanese Premier and concurrently Foreign Mininter sent S. Yada, Japanese Consul-General at Shanghai, to Nanking to confer with officials of the National Government for the purpose of trying to reach an understanding in order that formal negotiations might be undertaken. Mr. Yada, however, was not provided with any credentials for conducting actual negotiations, hence his activities at Nanking can only be classed as "conversations."

October 26—General-Baron Tanaka sent Hachiro Arita, chief of the Asia Bureau of the Tokyo Foreign Office and Koichi Nishida, acting Japanese Consul-General at Tsinan, Shantung Province, to Nanking, supposedly for the purpose of "checking up" on the reports regarding the Nanking situation which Mr. Yada, the Japanese consul-General at Shanghai had submitted to Tokyo regarding the attitude of the National Government.

November 10—General-Baron Tanaka is alleged to have sent a secret confidential agent named Kono Ryonei to Nanking for a private conversation with General Chiang Kai-shek, Chairman of the National State Council, apparently for the purpose of "checking up" on reports which Messrs. Arita and Nishida had made regarding the situation at the National Capital and also, according to report, for further "checking up" on Mr. Yada, the Japanese Consul-General at Shanghai.

November 19—S. Yada, Japanese Consul-General at Shanghai, who initiated the Nanking "conversations" and who returned to Shanghai after a stay of six days in the National Capital, returned to Nanking for still further conversations with Dr. C. T. Wang, the National Minister for Foreign Affairs.

November 23—Negotiations between S. Yada, Japanese Consul-General at Shanghai, and Dr. C. T. Wang, National Foreign Minister, definitely break down and both issue statements, the reason for the break-down being unknown but supposedly on account of Japan's refusal to withdraw her troops from Shantung as a preliminary to the opening of definite "negotiations" for a settlement of outstanding problems between the two countries.

November 23—Although the "conversations" between Yada and Wang are discontinued, Mr. Yada opens "conversations" with T. V. Soong, National Minister of Finance on the question of the China tariff and also, according to report, on the question of China's refunding the defaulted Japanese loans from the increased customs revenues expected to result from China's tariff autonomy program.

December 4—Consul-General Yada demands of Mr. Soong that China must agree to the refunding of Japan's defaulted debts from the increased customs revenues before Japan will agree to China's plans for increasing of the tariff schedules. Chinese papers state Mr. Soong refused to consider the Nishihara loans at all, but that he did agree in principle to a refunding of the "legitimate" Japanese loans and as good faith offered to set aside the sum of $5,000,000 as the first year's payment of interest on the old unsecured Japanese loans.

December 7—S. Yada, Japanese Consul-General at Shanghai refuses to accept China's official Note announcing the new tariff schedules which China intends to enforce on February 1, 1929. The other foreign consuls at Shanghai, including the Americans and British, accept the Notes and draft of schedules and forward them to their Legations in Peiping.

December 11—Takejiro Tokonami, president of the Shinto Club, a Japanese political organization, occupying a "neutral" position in the Diet, accompanied by Mr. Akatsuka, former Minister to Austria, Lieut-General Idogawa, retired militarist, and a staff of about a dozen secretaries arrive in Nanking, supposedly on a private mission for the purpose of investigating the political situation at Nanking.

To this summary may be added recent developments which are equally puzzling when considered in the light of Western diplomatic methods,

January 25.—General-Baron Tanaka announces at a meeting of the Privy Councillors in Tokyo that "the conclusion of a Sino-Japanese tariff pact may be taken as Japan's *de facto* recognition of the National Government, but since recognition requires a legal form, it cannot be said to be complete recognition unless the Japanese Government formally recognizes the National Government with a formal Note. The matter regarding Japan's recognition of National China depends upon the outcome of the negotiations on various outstanding Sino-Japanese issues, which are to be conducted between Mr. Yoshizawa and the National Government." This statement by General-Baron Tanaka constituted the first definite information from Tokyo that Japan had negotiated a tariff treaty with China and probably would not raise objections to the coming into effect of the new Chinese tariff schedules on February 1.

January 25.—Mr. Yoshizawa, Japanese Minister to China, who has been in Tokyo for several months, arrives in Nanking and opens negotiations with Dr. C. T. Wang on outstanding Sino-Japanese questions, the official Japanese *Toho* news agency report stating that negotiations are to be started, first of all on the Tsinan incident.

January 26.—Chinese Ministry of Railways announces that protracted negotiations between representatives of the Ministry and the Japanese Consul at Tsinan on the question of resuming transportation on the Tientsin-Pukow Railway through the Japanese military zone at Tsinan, Shantung, have broken down owing to the conditions which the Japanese military have imposed respecting the inspection of trains which the Chinese declared to constitute an infringement upon their sovereignty.

January 28.—Official Japanese *Toho* news agency announces that Mr. Yoshizawa planned to return to Shanghai, it being "learned on good authority" that the negotiations between Mr. Yoshizawa and Dr. Wang were "on the whole a repetition of the Wang-Yada preliminary negotiations and that though the withdrawal of Japanese troops from Shantung was the principal topic, no reference was made to any concrete measures for the evacuation of the Japanese troops. In short, the Sino-Japanese parleys have resulted in no agreement, but it is understood that Mr. Yoshizawa is giving a dinner-party this evening in honor of Dr. Wang." A later Chinese report stated that Dr. Wang didn't attend the dinner-party, pleading illness.

January 29.—Report from Tokyo states that "owing to his success" in negotiating the new Sino-Japanese tariff understanding, Mr. Yada, Japanese Consul-General at Shanghai is to be recalled to Tokyo and it is not known whether he will be promoted to a new post or sent back to Shanghai.

January 29.—Official *Toho* report from Nanking states that Mr. Yoshizawa and Dr. Wang held another conference and

exchanged views concerning the "whole of the pending questions existing between Japan and China." After the meeting Mr. Yoshizawa told the Japanese newspaper correspondents that he had discussed the Tsinan incident as well as the anti-Japanese movement now prevailing in China. "On the whole, I can inform you that effective conversations were exchanged in a friendly atmosphere and I am expecting to hold another meeting with Dr. Wang within a few days," stated Mr. Yoshizawa who explained that he was returning to Shanghai where he hoped further negotiations would be held "the opinions of both delegates being very close due to the conciliatory attitude . . . thus throwing a light to the future of Sino-Japanese negotiations."

This brings the situation up to date and we leave it to our readers to form their own conclusions as to the outcome of the present negotiations between the Chinese and Japanese delegates. A *Reuters* report from Nanking, also on the evening of January 29, quoted Dr. Wang as being optimistic regarding the prospects for a get-together on outstanding problems, but the official Chinese *Kuo Min* news agency on Jan. 28 stated that "the exchange of views between Mr. Yoshizawa and Dr. C. T. Wang were not altogether devoid of results as they have shown that Premier Tanaka has *not* modified his policy toward the National Government, his declarations of friendship and sincere desire to settle outstanding Sino-Japanese issues notwithstanding." The report then stated that Mr. Yoshizawa had declined to set a date for the evacuation of Shantung by Japanese troops . . . . and likewise had given Dr. Wang to understand that the Tanaka Government expects the National Government to tender an apology for the Tsinan incident and compensate the Japanese for losses suffered at that time. The report then quoted a Foreign Office "spokesman" as declaring that "we hold that it is illogical and futile to discuss peace with one's neighbor while one's property is still under occupation and the sanctity of his home is threatened. We have repeatedly declared our readiness to take special precautions for the protection of Japanese lives and property in Tsinan in the event of the Japanese troops being withdrawn. We are prepared to send our best disciplined military units to insure safety and protection for all Japanese residents in Tsinan and along the Kiaochow-Tsinan Railway. In the face of the continued Japanese military occupation of the Shantung region, we can do no more than make known our plans as we have done. At the same time we expect Japan to meet us half-way ... but unfortunately the Japanese Government apparently is not yet prepared to enter into formal negotiations ..... The situation, however, is not officially regarded as a rupture of negotiations as no formal negotiations as to formal discussion for the settlement of any particular issue has taken place since Mr. Yoshizawa's arrival in the Capital last week."

In view of the fact that the Japanese Diet is now in session where General-Baron Tanaka's Government party is on the defensive in repect to its China policy, a considerable insight is gained into Japan's motives by an examination of the press reports pertaining to the debates. In the first place it was indicated that Japan may not raise objections to the coming into effect of the new Chinese tariff rates, Japan's attitude on this question apparently being due to pressure which has resulted from her position of isolation as the only Power which had not signed a tariff autonomy treaty with China. From the general standpoint of Japan'spolicy toward China various organizations or societies of members of the Diet came forth with resolutions demanding the resignation of the Tanaka Cabinet owing to its failure to reach an understanding with China. The Shinto Club, an organization of some thirty Diet members headed by Mr. Tokonami, a prominent Japanese politician who visited Nanking recently, continued its opposition to the Tanaka policy by advocating recognition of the Nationalists and withdrawal of the Japanese troops from Shantung. Another organization calling itself the Kokumin Gaiko Kyokai (People's Diplomatic Association) composed of some twenty politicians also passed resolutions demanding the breaking of the deadlock in Sino-Japanese relations and stating that "for the attainment of these objects, the resignation of the present Tanaka Cabinet is essential." Still another organization, the Shakai Minshuto (Social Democrats) also held a meeting and passed resolutions to the following effect.

1—.Opposition to the militarist diplomacy of the TanakaCabinet.

2.—Immediate and unconditional recognition of the Nationalist Government.

3.—Immediate withdrawal of the Japanese troops from Shantung.

4.—Conclusion of a new Sino-Japanese treaty on an equal footing on matters including tariff and judicial autonomy.

5.—Recognition of China's sovereignty over Manchuria and Mongolia and Sino-Japanese cooperation for economic development.

Then in addition to the general attacks there was the more serious charge raised in the Diet alleging the Japanese Government was responsible for a "certain grave affair in Manchuria last summer" meaning by this the blowing up of the train and the killing of Marshal Chang Tso-ling at the Mukden railway station. A *Reuter* report from Tokyo on Jan. 25 dealing with the debate in the Diet on this question, was to the following effect.

"The assassination of the late Marshal Chang Tso-lin again served as ammunition for an Opposition attack on the Government to-day. In the lower house the Budget committee heard a Minseito spokesman, Mr. Seiko Makano, firing off questions in rapid succession concerning the Mukden assassination. the majority of which the Premier, Baron Tanaka, evaded.

"Referring to suspicion existing both at home and abroad, Mr. Nakano demanded to know what the Government was doing to clear itself. To this the Premier replied that he was considering the best means of removing the suspicion but was unable to say more at present.

"The Premier's patience ended when his interpellator inisisted that the Government was responsible for arrangements for guarding the crossing where the Japanese and Chinese lines met outside Mukden, at which point the train was bombed.

"The Premier retorted, "I can't give permission for every detail. If the Premier is responsible for every act of Japanese officials abroad ten thousand Premiers would not be enough."

At the session of the Diet on Jan. 22, Mr. Nagai Ryutaro, a member of the Minseito (opposition) part asked a unmber of questions regarding the Tsinan incident, declaring.

"that he was in possession of reliable information that at the end of March last year, Mr. Fujita, the Consul-General at Tsingtau, wired to the Foreign Minister, saying that unless the Japanese residents at Tsinan were withdrawn by April 12th or 13th, the opportunity for withdrawal would be gone, and that the dispatch of troops would certinly result in a clash between the Japanese and Chinese troops: Unfortunately, the Government did not act upon the Consul-General's suggestion, and sent troops in pursuit of its policy of protecting the Japanese residents on the spot. This object was not, however, satisfactorily achieved. If General Fukuda, Commander of the Japanese troops, was responsible for the clash between the Japanese and Chinese, why had he not been referred to a court-martial? If General Fukuda was responsible, was not the War Minister responsible also? The nation would never be satisfied, unless a member of the present Cabinet came forward tc assume responsibility for the heavy casualties that occurred among the Japanese, because of

the blunders committed by the Government in the choice of the time for the dispatch of troops and in the number of troops to be sent.

The policy of the present Cabinet towards Manchuria and Mongolia had been a succession of failures, and now anti-Japonism prevailed throughout China. The Government and its political supporters had given out as though Japan had gained something very good out of the negotiations for the settlement of the Manchurian and Mongolian problems, which were started as the result of the Far Eastern Conference held in Tokyo, without disclosing what these good results were. If good results had really been obtained, they ought to disclose them.

Advice To General Chang

"Referring to the advice tendered by the Government to General Chang Hsueh-liang against a compromise with the Nationalist Government, Mr. Nagai asked whether this advice had been tendered unsolicited or whether it was tendered in compliance with General Chang's request. General Tanaka had denied that the Government forced this advice upon the young Chinese General, but it was obvious that Mr. Hayashi, the Consul-General at Mukden, acting under instructions from General Tanaka, summoned General Chang to the Japanese Consulate-General and advised him. Unless this fact was made clear by General Tanaka in the Diet, he would be accused of deceiving the foreign representatives in the country.

"Turning to Japan's trade with China, the interpellator said that due to the prevalence of anti-Japonism in China, Japan's trade interests were being seriously impaired. China's imports last year showed an increase of 250,000,000 yuan as compared with the preceding year, but this increase was entirely due to the trade activity of Britain, America and Germany. Japan ranked lowest among the Powers. Japan's exports to China had accumulated at many Chinese ports without any hope of their being delivered. Indeed, all traders interested in China were unanimous in hoping for a speedy downfall of the Tanaka Cabinet.

Co-Operation With Britain

"Mr. Nagai asked whether it was true that the Government had proposed Anglo-Japanese co-operation in China to the British Government, through Count Uchida, who signed the anti-war treaty representing Japan. This proposal, if made, was set at defiance by Sir Austen Chamberlain for the British Government recognised the Nationalist Government on December 20th last year.

Death of Chang Tso-ling

"In connection with the death of the late Marshal Chang Tso-lin, the interpellator said, some foreigners held the Japanese responsible for his tragic end. How was it that the Government had not made public the results of its investigation in order to remove such an impression.

"General Tanaka, in reply, said that he believed that the dispatch of troops to Shantung was quite timely, and that Japan's rights and interests in Manchuria and Mongolia could never be infringed upon. It was a fact that General Chang Hsueh-liang had asked Mr. Hayashi, the Consul-General at Mukden, for advice. The anti-Japanese feelings and movements in China were very regrettable, and the necessary steps were being taken by the Japanese authorities there to meet the situation. It was desirable that Japanese business men interested in China would show patience in the present trying circumstances. The Japanese Government had suggested to the British Government the necessity of co-operation between the two countries in China, but it had no intention of making a formal overture for such an arrangement The incident that occurred at Munken was now under investigation, and the Premier regretted that he could not make a reply on that matter.

"Mr. Nagai, not satisfied with the Premier's reply, put further questions, to which the latter returned unsatisfactory answers."

Although the Japanese Diet has been in session but a few days, sufficient has occurred to indicate the almost general opposition to the Premier's China policy and while it has never been known for a government in Japan to fall on account of some foreign issue, it is not unlikely that the same result will be attained over some domestic political question of which there are plenty of a most serious nature facing the Government. According to reports which have appeared in the *Japan Chronicle*, the liberal British organ published at Kobe, serious opposition to General-Baron Tanaka has also developed in the Privy Council over the Sino-Japanese tariff issue as well as the debt-refunding agreement which Mr. Yada, the Japanese Consul-General at Shanghai is alleged to have negotiated with officials of the National Government and in accordance with which, according to reports in the *Chronicle*, the National Government has agreed to set aside the sum of $5,000,000 annually toward interest payment on the defaulted Chinese debts to Japan. In reference to the tariff question, certain members of he Privy Council are stated to have raised objection to the understanding which has been reached on the grounds that it amounts to recognition of the National Government without any of the other major outstanding diplomatic questions being settled. The Privy Council was expected to pass on the Chinese tariff treaty question at a meeting on Jan. 30. In reference to the "grave affair in Manchuria" the *Chronicle* published in its issue of Jan. 25 the following reference to an editorial which appeared in the *Osaka Asahi*.

General Tanaka's Attitude.

"The *Osaka Asahi* strongly attacks the Premier for his attitude towards the so-called certain grave affair in Manchuria. The Premier specifically invited the representatives of the various parties in the House of Peers to his residence and asked them not to bring up the issue in the Diet, and this was quickly followed by a similar request made by him to Mr. Hamaguchi, President of the Minseito, and Mr. Tokonami, the leader of the Shinto Club. The nature of this certain grave affair has been variably reportted in the foreign Press. It is, of course, difficult to determine whether allegations published in these paper are well-founded, but it is impossible to deny that these reports are seriously prejudicing Japan's position abroad, to say nothing of adversely affecting the negotiations with China. In such circumstances, it is the plain duty of the present cabinet to take all necessary steps to meet the situation, regardless of the completion or otherwise of the inquiries which it has been making into the affair.

"Unfortunately, the Tanaka Cabinet is shaping its course differently. It is observing curious reticence on the matter, allowing dubious reports to produce pernicious effects on Japan's diplomatic interests. Its eagerness to preclude this issue from parliamentry discussion only tends to intensify foreign misgivings and misunderstandings. It is no wonder that the Premier's overture should have had the effect of hardening the attitude of the Peers towards the Government and that they should have been flatly rejected by the President of the Minseito. Even conceding that his attempt to exclude this matter from parliamentary debate was prompted by no selfish motive of bettering the position of his Government in the Diet, it is certainly objectionable in that it further excites public suspicion. From the point of view of parliamentary politics also it is absolutely inexcusable, declares the *Asahi*."

House of Commons Versus the British Chamber

THE QUESTION of the continued "defense" of the International Settlement against Chinese control was aired in the British House of Commons on January 24 and while it will be several days before a complete report of the debate is available here, a *Reuter's* summary published in the Shanghai newspapers on January 26, provided a considerable insight into the attitude of the British Government.

The *Reuter's* report follows,

London, Jan. 24.

In the House of Commons to-day, replying to Mr. J. S. Wardlaw-Milne, Conservative member for Kidderminster, in regard to the nationalities composing the Shanghai Volunteer Corps, Mr. A Duff Cooper, Conservative member for Oldham, said that, according to the information available to the War Office, out of a total strength of 1.500 men in May, 1928, at least 700 were British, 160 Japanese and 140 Chinese.

He stated that the precise figures were unavailable as the Shanghai Municipality and not the War Office was responsible for the Corps.

Mr. Wardlaw-Milne suggested that the reduction of the Shanghai Defense Force meant practically that the real defense of Shanghai fell on the British mercantile community.

Further replying to Mr. Wardlaw-Milne, Mr. G. Locker-Lampson, Under-Secretary for Foreign Affairs, said that representations against a reduction of the Shanghai Defense Force had been received from the British Chamber of Commerce in Shanghai.

Mr. Wardlaw-Milne in a supplementary question asked whether the Government intended taking the representations into consideration.

Mr. Locker-Lampson replied, "The matter referred to by Mr. Wardlaw-Milne depends upon certain statements which are inaccurate. They are founded on a report of disturbances on the Yangtze but as far as we know these disturbances do not exist."

Mr. Wardlaw-Milne: Are the Government satisfied that the reduced number of British troops, even with the efficient aid of the British volunteers, is sufficient to maintain peace and order in Shanghai?

Mr. Locker-Lampson: I think so.

Mr. James Hudson (Labor): Does Mr. Locker-Lampson wish us to understand that the information from these authorities in Shanghai is not very reliable?

Mr. Locker-Lampson: I never said so.

Further replying to a question from the same member, the Under-Secretary of State for Foreign Affairs said that as regards the ex-British Concession in Hankow, foreigners living and owning property there were represented on the Municipality. The ex-German and ex-Russian Concessions had been incorporated into the Chinese Municipality of Wuhan, and the question of further foreign representation in that Municipality was being discussed.

Mr. Locker-Lampson added that Britishers did not suffer any disadvantage compared with other nationals as regards taxation or representation.

A careful perusal of this dispatch will show that the British Government apparently was not deeply impressed with representations which had been made by the British Chamber of Commerce regarding conditions here, hence the Government is apparently proceeding with a further reduction of the British troops now stationed here, the present number being approximately 2,500. The report which the British Chamber had made to London was not made public and probably will not be published—not even in the official journal which the Chamber issues to its members—but the statement which Mr. Locker-Lampson, Under-Secretary for Foreign Affairs made regarding "certain statements which are inaccurate" regarding conditions on the Yangtsze, is sufficient to indicate that the British Government, after its experiences last year with Shanghai propaganda, is not accepting any more of Shanghai's appeals for "protection" at their face value. The British Chamber of Commerce thus finds itself in a position somewhat similar to that of the local American Chamber last year which was rebuked by President Coolidge because of its resolutions advocating armed intervention in opposition to the policy of conciliation which the American Government was and is following toward the Chinese Nationalists.

The debate in the British House of Commons last week should constitute definite and final advice to the authorities of the International Settlement regarding the future of the foreign regime at Shanghai, which is, in simple language that the foreign interests here must work out some method of adjusting their problems with the Chinese that would be satisfactory to both parties concerned. It has been rumored that the American Marines, now numbering about 1,200 men, are to be withdrawn next March and while there has been no definite announcement regarding the British military forces, it is obvious that the British Government has no intentions of keeping its forces here indefinitely. In view of this situation, it is highly necessary that the authorities of the Settlement and the foreign interests dependent upon the foreign administration here, must work out some method for a gradual rendition of the Settlement to complete Chinese control. Just how this is to be done is impossible to say at this time since it is largely dependent upon circumstances, but that something definite must be done before the foreign troops are entirely withdrawn, goes without saying. In previous discussions of this subject which have appeared in *The Review*, two methods of procedure have been suggested, one being a continuance of the present method of gradually increasing the Chinese membership on the Municipal Council and in the administrative departments of the local government. The other method, which might be more satisfactory in that it would end the present condition of uncertainty, would be for China and the Powers directly concerned to hold a conference on the subject. This would enable China and the Powers to come to a definite understanding on the question of liquidating the foreign administration and the interests dependent upon it and the setting of a definite date for the final relinquishment of foreign control. Dr. Stanley K. Hornbeck, chief of the Far Eastern Bureau of the State Department, apparently had the latter method in view when he stated last year that the United States Government was ready at any time to face the problem of discusssing with China the future status of the International Settlement.

In the meantime there is this question of "protection" which seems to be bothering the local powers-that-be and which has been responsible for several foolish suggestions regarding the building-up of a foreign defense force here, one being the recruiting of a standing army of White Russians and the other the still more foolish suggestion of bringing out a Negro mercenary army from Africa. Since the Powers most intimately concerned in the foreign settlements, America, Britain and France, would not countenance any attempt on the part of the authorities here to employ a standing army, the matter of "defense" falls back on the shoulders of the foreign commercial interests. In the past Shanghai has been able to meet this situation in ordinary times with a Volunteer Corps recruited from the local foreign population, the British community supplying about half of the personnel, the remainder being made up from the American, Japanese, Portuguese, Chinese and other communities. Before the World War the Germans also had a volunteer company, but since their negotiation of an "equal" treaty and the relinquishment of extraterritorial rights the Germans have not participated in the "defense" of the Settlement. The same situation will doubtless prevail with other nationalities as they relinquish their extraterritorial rights because when foreigners become subject to Chinese courts they will not wish to take any action which might cause antagonism on the part of the Chinese authorities. This explains the increasing lack of enthusiasm for service in the

Volunteer Corps which is apparent in the difficulties which have been experienced in recent years in keeping the various volunteer companies up to their previous strength.

In view of the fact that it is the obvious intentions of the Powers to ultimately return Shanghai to Chinese control, it is imperative that the authorities of the foreign settlements should frankly face this problem and take immediate steps with that end in view. This means the immediate casting overboard of all ideas of "protecting" the Settlements against the Chinese and, instead, the development of plans of cooperation with the Chinese Government for the "protection" of the city, Chinese interests as well as foreign. The Chinese Government recently has employed expert American and German police advisers, the purpose apparently being to modernize their police administrations. If the Chinese people have now finished with their civil wars and are to continue their plans for the development of a stable government, Shanghai has no further need to worry about "protection," because that function will be gradually taken over by the Chinese Government itself. Shanghai has therefore only the problem of ordinary police protection to worry about and it is here that attention should be centered. Therefore, instead of worrying about "protection" and the problem of obtaining funds for standing armies and such luxuries, the Shanghai Rate-payers should be concerning themselves about the problem of developing and modernizing the police department.

Once Again: Let's Mind our Own Business

(*Liberty Magazine, Dec. 8*)

Lord Cushenden, acting Foreign Secretary of Great Britain, told the House of Lords the other day that the so-called "secret pact" between England and France has been called off. The idea was that they shouldn't "injure American opinion." They must find some other way. Which means, of course, that the same thing simply will be done over again, as has been the case since the time of Edward VII.

Well, this whole business of the Anglo-French pact seems to be a tempest in a teapot. Whether they build more battleships or not, England and France must continue as before, frankly and openly allies. If either nation detached itself, or even assumed a position of neutrality, the resurrection of Germany as a power would be almost immediate. The two governments have been side by side in the Rhineland, the fear of Germany keeps them together.

On the other hand, to offset this situation, Germany is looking around for an ally. Her natural ally is Austria. At present France forbids them to unite, but in time they will unite, because both are a German people and both a stricken people.

Meanwhile, Germany is flirting now and again with Soviet Russia and trying to take advantage of the growing hostility between fascist Italy and France. Italy is threatening Greece, making friends with Turkey, and being rather truculent toward Czecho-Slovakia. Germany is finding its relations with Poland continually more embittered. There is hatred between Hungary and Roumania, which robbed it after the armistice; between Bulgaria and Greece, which shuts it off from the sea.

Now, these various make-weights and counterbalances make your head swim, don't they? And you don't know what they mean, do you? No, you don't.

What we want to know, then, is why in the name of all that is reasonable the United States should get into this mess.

It is true that we have developed the radio, the motion picture, and the airplane—that the world has changed and communications are easier and all that—but in spite of arguments to the contrary these make our participation in European mixups no more logical than it was in the days of George Washington.

As for the Anglo-French pact, we think they are crazy if they don't have one. They are logical allies surrounded by potential enemies. France's army must be supplemented by Britain's navy.

Why any American should be disturbed about it, we don't see. It is none of our business. We can trade with France and England and have amicable relations with them. We don't want to attack them, and we can or at least should be able to defend ourselves against them if they start anything.

It is and should be our natural policy to keep hands off. We hope the Senate will continue to consider this, and will consign Mr. Kellogg's multilateral treaty, which is an entrance into Europe by the back door, to the dungeon of oblivion.

Let's mind our own business.

China's New Tariff Now in Effect—Japan Approves

All doubt on the point as to whether the National Government would put into effect on February 1 the new tariff which was announced over a month ago, and which is based on the schedules agreed on at the tariff conferences in Peking several years ago, was set at rest January 30, when the Privy Council in Tokyo gave its formal approval to the China Tariff Agreement. The exact terms of the agreement which has been concluded between Japan and China have not yet been made public, but in the meantime merchants of all countries, including the Chinese, are paying a very considerable increase on articles imported into China as compared with previous years.

Transport Henderson Departs with Marines for United States.

Upwards of a thousand officers and men of the United States Marine Corps departed for Shanghai yesterday by the U. S. transport Henderson. Most of these men are from North China but included also were more than a hundred Marines who had been stationed in Shanghai and whose term of enlistment has expired. Lieut Cunningham, who has been stationed in Shanghai for two years, together with Mrs. Cunningham, departed for America by the same vessel.

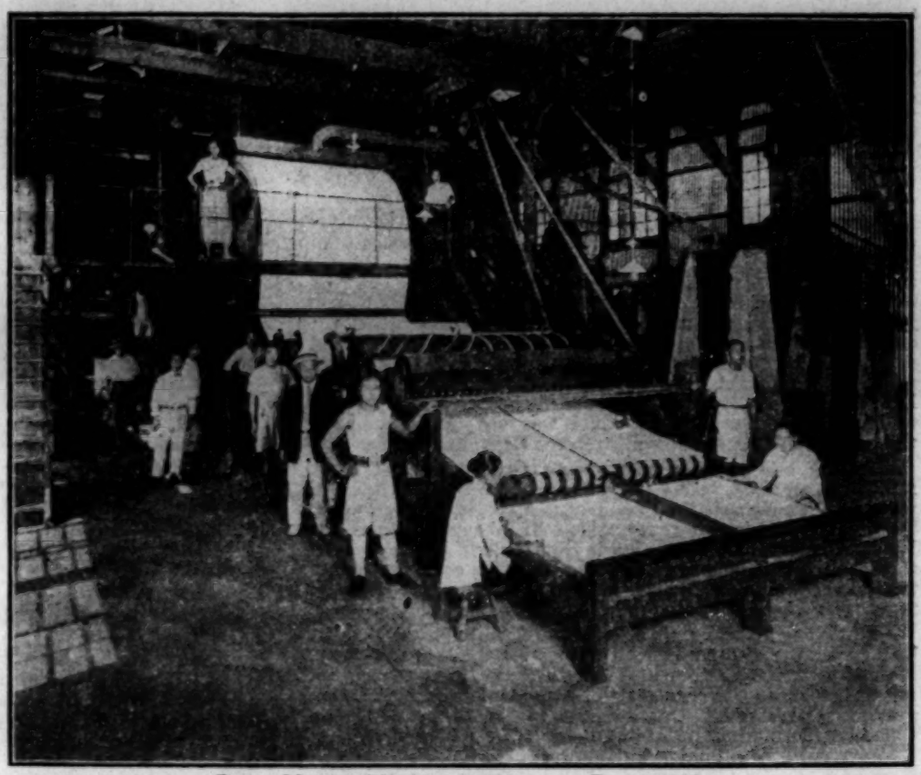
View in Kiangnan Paper Mill, the First in China to Use "Lu-Chai" (Reeds) for Making Paper

Modern Paper Manufacturing in Shanghai

BY B. Y. LEE

The paper industry is one of the oldest and largest industries in China, while the modern paper mill is comparatively a new industry. The most common grades of paper consumed in China are that for printing, wrapping, and writing. The latter grade was formerly imported in great quantity from Japan, but due to the anti-Japanese boycotts during the past few years, particularly the present boycott which extends all over China, import of Japanese paper has been considerably decreased. In order to supply the growing demand for various grades of paper, many modern paper factories have been established. In the old style paper factories, bamboo was almost entirely the material, while in the modern factories, wood-pulp, rags or reeds are used.

The first modern paper mill was established in Yangtsepoo in 1890 by the late Li Hung-chang, and later it was reorganised. In 1900 Japanese capitalists established the second modern paper mill in Pootung, and on account of the Anit-Japanese boycott in 1918, this Japanese mill was sold to a Chinese. Now there are five modern paper mills in Shanghai, all of which are Chinese owned and under Chinese management.



Paper-Making Machine in Kiangnan Paper Mill

Details of Paper Mills in China

The following are the particulars of these mills:

Names	Location	Year est.	No. of machines
Imperial	Lung Wha (outside of French Settlement)	1906	2
Tien Chang	1 Yangtsepoo	1910	1
Tient Chang	2 Pootung	1900	3
Kiang Nan	Jessfield District	1925	3
Man Sang	Chapei (near Paosen Road Bridge)	1927	1

Daily Production of paper (12 hrs.)	Number of operatives
160,000 (pounds of wrapping paper)	220
80,000 " " " "	100
200,000 " " " "	300
20,000 (pounds of writing paper)	300
80,000 " " " "	80

A Prosperous Period

The most prosperous period in the history of modern paper manfacturing in China was during the European war, particularly between 1918 to 1922. As China depends practically upon Japan to supply her wrapping and writing paper, should the supply be curtailed from Japan for any reason, the paper industry would become prosperous at once. During the European War the Japanese paper mills in Japan were busy in supplying their domestic demand, and hence had not much surplus product to export to China thus enabling three modern Shanghai paper mills to make enormous profits. The Imperial Paper Mill, for example, located outside of the French Settlement made an annual gross profit of $500,000 a year between 1918 to 1924 inclusive, which was equal to the initial capital. The total gross profits have been more than $4,000,000 since its inception, but the managing director has never considered the extension of the business. All the profits have been given to the shareholders. Since the Tsinan Incident last May, the paper industry business has become prospeorus again on account of the Anti-Japanese boycott. Naturally the "home made" paper is gradually displacing the imported Japanese paper.

Inports from Japan

The following figures show the total amount of paper imported from Japan during the past three years:

1925	1926	1927	Average
13,829,000 pounds	15,411,000	14,540,000	14,381,000

68,000,000 pounds of paper consumed in China per annum.
24,000,000 pounds manufactured in modern paper mills in China.
29,600,000 pounds imported from European countries.
14,400,000 imported from Japan.

The most up-to-date and most progressive modern paper factory is the Kiang Nan Paper mill, which is located in Tsao Ka Dou just opposite the Jessfield Park across the Soochow Creek. The mill was established in Dec. 1925 as the result of an Anti-Japanese boycott of that year. The total initial capital was $400,000 with Mr. Woo, the compradore of the Yokohama Specie Bank as the managing director. At the shareholders' meeting held on Jan. 27, it was decided that the capital should be increased to $2,000,000. The mill is equipped with one 100-inch machine, one 65-inch machine and one 60-inch machine, all of which are of Japanese make. The area of the mill is 21 mow of land. There are 10 main buildings and 9 auxiliary buildings. An artesian well 500 feet deep with a daily capacity of 1,000,000 U. S. gallons, supplies water.

Chinese Writing Paper Made From Reeds

Instead of using wood pulp or rag or bamboo, this mill has revolutionised modern paper manufacturing in China by using reeds. Clarence L. Seun, who is a chemical engineer from the U. of Pennsylvania is the mill manager, and he has introduced this new process of paper making. Besides the mill buildings, this mill operates a reed mill in Kastze along the Yangtse River. The area of this reed mill is 100 mow and the area for reed growing is 5,000 mow. The total amount of reed consumption daily is 40,000 pounds.

The paper manufactured is of different sizes and of different grades. The most common kind is of 25x44 inches per ream weighing 23 pounds each. Chinese writing paper is the chief product of the mill. It is not only consumed in China alone, but is also exported to Manila, the South Seas, and to many other Asistic ports where the Chinese population is large. In order to encourage the further development of modern paper manufacturing, the government granted exemption of duty for five years on reeds used by this mill and the patent rights were granted for 10 years.

Shanghai, Jan, 29, 1929.

Pungent Remarks by Chinese Delegate on Opium Commission at Geneva

The meetings of the Opium Commission which are now being held in Geneva, Switzerland, are providing considerable excitement.

On January 25 somewhat of a sensation was caused by a statement that the Naerdew nacotic factory in Amsterdam, Holland, held a license and received drugs from various countries, particularly from Germany and Switzerland, and re-exported them to all parts of the world, particularly to China and other parts of the Far East.

Dr. Wang King-ky, the Chinese delegate, offering "the sincere and devoted cooperation of united China" to the Opium Commission demanded the prohibition of opium smoking in the possessions of interested Powers in the Far East, and that the task of repressing the illicit traffic within the Concessions and leased territories etc. be handed over to the Chinese authorities. In the course of his statement, Dr. Wang referred to historic incidents, specifically mentioning Britain and Japan. His remarks called forth an intervention from the chairman warning against the introduction of politics. Subsequently the question of inserting his remarks in the minutes provoked a spirited debate, and when it was suggested that Dr. Wang King-ky should retract his remarks, he refused to do so intimating that if China was not free to make her voice heard she would not remain in the League of Nations.

At the session on the following day, Mr. Sato (Japan) said that he must reserve the freedom to make a protest, which he would ask the President to insert in the report. Mr. Sato designated a reference which had been made by Dr. Wang King-ky to the campaign in Shantung as an attack upon the honor of the Japanese army, and said he could not admit that anyone on the Commission should accuse the Japanese army, whose honor has always been above suspicion.

Dr. Wang King-ky then intervened and denied that he had accused the Japanese Government or the Japanese army. He said he had accused no one. He had the greatest respect for the Japanese Government and people. It was, he said, the present system which was responsible for the situation in China, rendering control of the drug traffic impossible.

Opium Addicts in Korea

A *Rengo* dispatch from Geneva, dated January 22, to the *Japan Chronicle*, quoted a statement by Mr. Sato, Japanese delegate, that there are over 5,000 opium and morphine addicts in Korea. He said the Japanese Government proposes to control the manufacture and sale of narcotics in Korea, and that experiments have recently been conducted with a view to finding a cure for addicts.

Creation of Bureau Of Foreign Affairs Asked in Senate Bill

Creation in the U. S. Department of State of a Bureau of Foreign Affairs and a Foreign Service School for the training of those who represent the United States abroad is the purpose of a bill, recently introduced in the Senate by Senator Thomas of Oklahoma. Details of the proposed bill were published in the *United States Daily*, Washington, D.C., December 14. The bill has a two-fold purpose: First, to create a special Bureau of Foreign Affairs in the Department of State; and, second, to create a Foreign Service School for the special training of those who are to conduct and carry on the diplomatic, consular and commercial relations between the United States and other countries of the world.

The suggested personnel of the Department of Foreign Affairs is intended to afford the President and the Secretary of State the best assistance and cooperation in formulating and carrying on America's foreign relation activities. The Foreign Service School suggested to be created is for the purpose of giving special training to those who are to represent the American Government in diplomatic, consular and commercial activities.

Hearse to be Used for Dr. Sun Yat-sen Funeral Arrives in Shanghai

A specially designed hearse to be used to carry the remains of the late Dr. Sun Yat-sen to their final reting place on Purple Mountain, Nanking, manufactured by Nash Motors, recently arrived in Shanghai from the United States. The cost is stated to be about Gold $10,000. The order for the hearse was handled by Union Motors, 192 Avenue Foch, Shanghai, who are also supplying other equipment to be used when the burial ceremony takes place next March.

National Government Issues Regulation for Travel in the Interior

The Commissioner of Foreign Affairs of the National Government has issued a series of 42 regulations governing travel in the interior by foreigners, the more important of which, as published in the Chinese press, being as follows:

Article 9: British, French, American, Japanese, Danish, Swedish, Norwegian, Belgian, Dutch, Portuguese, Spanish and other nationals having treaty rights in China, who have passports or *huchaos* issued by their respective consuls and who send these to the Bureau of Foreign Affairs to be *visaed* must hand in three photos and the sum of $3, this being the stamp fee. (This regulation will come into force on February 1, 1929).

Article 68: German, Austrian, Finnish, Brazilian and Mexican nationals, in applying for their *vises* must observe the above regulation and accompany their applications with $3, "signature fee" ($1 stamp fee included). Permits for these nationals are effective for three months. The fee for "return permits" will be $5 and will be effective for one year.

Article 8: Persons applying for permits for travelling purposes must apply personally to the Bureau of Foreign Affairs and fill in the necessary forms.

The above two regulations are effective as from January 20, 1929.

Article 4; Foreigners of nontreaty powers who enjoy no extraterritorial rights, in applying for permits, shall send in their registration certificates issued by the Bureau of Foreign Affairs, together with two photos, and $3, "licence fee" ($1 stamp fee included). Licences in the case of these persons shall be effective for three months. This regulation came into force on January 1, 1929.

Japanese Still Squabbling Over Reopening of Tientsin-Pukow Railway

The National Ministry of Railways has not yet been able to reach an understanding with the Japanese military authorities at Tsinan for the reopening of the Tientsin-Pukow railway, according to a report from Nanking on Jan. 26 which stated the Japanese are continuing to block the resumption of traffic on the railway by imposing conditions which are detrimental to the sovereignty of China. A report in the *Sin Wan Pao* on Jan. 29 stated that the Japanese Consul at Tsinan had announced that the Chinese could not resume transportation on the railway through the Japanese military zone unless the Chinese were willing to accept some twelve conditions, one of which was that no passenger trains could be operated and only a certain specified number of freight trains daily, provided the Chinese would agree for the Japanese military to search the trains at the Tsinan station.

Since these conditions were considered detrimental to China's sovereignty, the Chinese have refused to continue the negotiations and according to latest report, the question is to be turned over to the Ministry of Foreign Affairs for formal negotiation. A further report in the *Sin Wan Pao* on Jan. 30 stated that through negotiations conducted by Mr. Hearn, British traffic manager of the Tientsin-Pukow Railway, the Japanese had agreed for the Ministry of Railways to remove the rolling stock which had been detained by the Japanese military at Tsinan and that the engines and cars were being repaired in the shops at Puchen, near Pukow on the Yangtsze River opposite Nanking. The Puchen work-shops are now employing 1,080 laborers who are repairing some 60 cars and five or six locomotives every month.

Chinese Commissioner's Protest at Hankow Has Effect

On Jan. 21, a motor boat, the *Han-an*, carrying three pickets of the Hankow Labor Strike Committee was seized by Japanese Marines in two motor boats despatched from the Japanese gun boat No. 24, when the *Hon-an* was steering from the 6th jetty near the Japanese Concession at Hankow to the middle of the Yangtze River. A statement was issued to the press by the Japanese Vice Consul at Hankow alleging that the *Han-an*, was the property of the Wu-han River Police and was loaned by the River Police to the Picket Headquarters and that the Chinese authorities were backing up the anti-Japanese movement. In reply Dr. C. H. Kan, Commissioner of Foreign Affairs for Hupeh, issued a statement denying the allegation and also sent a vigorous dispatch to the Japanese Consul General at Hankow protesting against the illegal act of the Japanese gunboats in exercising jurisdiction over the Yangtsze river, a Chinese territorial water, by seizing a Chinese motor boat and arresting the persons on board. The Japanese later released the boat and the Chinese whom they had taken prisoners.

CHINESE GIRL LEADS WELLESLEY CREW

This is a recent picture of the Sophomore Crew of Wellesley College, Wellesley, Mass., the coxwain of which is Miss Maimie Sze, the daughter of Dr. and Mrs. Sao-ke Alfred Sze, for many years Chinese Minister to the United States but now Minister in London. Miss Sze was captain of the Freshman Crew at Wellesley last year and has also been re-elected to the same position this year and in addition holds the position of custodian of the college athletic association, a position to which she was elected by vote of the college student body. Miss Sze is specializing in English and Art. There are now five Chinese girls enrolled at Wellesley, which numbers among its alumni in China Madame Chiang Kai-shek, Mrs. H. H. Kung and Madame Sun Yat-sen.

Dr. Waddell Here to Advise on Reconstruction

"I have come to China to assist in the work of reconstruction, a task which appears to be the greatest of any people on earth. I am here primarily because I wish to see prosperity assured for the Republic of China. It is only by establishing the modern means of communication in which I expect my services to be of value that China can secure true peace and a lasting sense of unity that is essential to civilized progress."

Thus did Dr. J. A. L. Waddell, internationally famous American engineer, explain to the *Review* his mission in China. He arrived in Shanghai last Saturday, having come here at the invitation of Minister Sun Fo of the Railways, to act in an advisory capacity to the National Government and more particularly in connection with the reconstruction of the railways.

Dr. Waddell told us that he considers the futue of China is more to be determined by the number of miles of railways in operation that the number of cannon and battleships.

"If China had adequate means of communication," he said, "much of the civil war of the past few years never would have occurred. The greatest rationalizer in the world are railways."

Although he was not prepared to make a definite statement as to any projects which will be undertaken under his direction, Dr. Waddell said that as soon as Minister Sun Fo and he had discussed the present reconstruction program it was probable that work would begin at once on a number of railways.

"It will be necessary at first to complete the unfinished lines," Dr. Waddell explained, "before any new construction is undertaken. I am particulary anxious to see the Canton-Hankow Railway concluded and feel that it is perhaps the most important of the immediate tasks.

"The most interesting bridge project in China just now is that which will join Hankow with Wuchang and Hangyang. I hope to see something definite accomplished on this before my period of service in China is completed. It would be of vital importance to the middle country and assure uninterrupted communication between north and south China, after the Canton-Hankow line is completed."

Dr. Waddell said that he had not come to China to make money. "I am here," he said, "because China offers a great undeveloped field for my work and because it promises to be one of the most engaging jobs I've had." He might have added "in a long and eventful career." For few men in his profession have equalled the achievements of Dr. Waddell.

He has built bridges in the United States, Canada, Mexico Russia, New Zealand and Japan aud he has been decorated by governments in many countries, including China and Japan, for his distinguished contributions to the advancement of engineering throughout the world. His lectures and papers, delivered in a number of countries, are important documents in the annals of engineering. In 1921 he was retained by the Chinese Government as a member of the Jury of Award in competiton for the new Yellow River bridge for the Peiping-Hankow Railway. The conference held on this project was composed of representative engineers from Great Britain. France, Germany, Japan and America. Unfortunately no decision was reached by the engineers, who disagreed as to the type of structure to be recommended. Finally the Chinese Government chose to build a type of bridge advocated by a minority of the experts. But it has never been erected, having been interfered with by the recent civil wars.

Dr. Waddell is author of many books and articles on engineering subjects and his "Memoirs and Addresses of Two Decades", which has just been published, is one of the most comprehensive documents ever written by an engineer. It contains an outline of his more than fifty years' experience, and the knowledge it represents is culled from a lifetime of practice and study of his profession.

For the present Shanghai will be his headquarters, Dr. Waddell said. His office is in the Ministry of Railways quarters, Sassoon House. Dr. Waddell expects to be in China for at least a year and his stay here may be extended, depending upon the need for his services. He is accompanied by his wife, and Mr. J. M. Weir, railway expert and engineer, and by his secretary, Miss K. E. Provinnes.

The Two Rival Government Radio Services

The recent establishment of two independent wireless services to foreign countries by two branches of the National Government has developed into a legal fight. One of the new services is under the control of the Ministry of Communications and the other is being operated by the Reconstruction Council. The Ministry of Communications is protesting vigorously against the action of the Reconstruction Council in operating an independent service and the former has inserted half page advertisements in the Chinese newspapers explaining its view of the situation and incidentally demanding that the Reconstruction Council shall hand over the service it is now operating to the Ministry of Communications.

Lu Kuei-hsiang, chief of the Wireless Administration department of the Ministry of Communications, in an interview stated that the point in dispute was that the Nationalist Government in Canton formerly placed the Radio Administration in the hands of the Ministry of Communications. Later the Central Political Council decided to authorize the Reconstruction Council to control all radio stations and ordered the Ministry of Communications to hand over control, but the latter refused to do so, taking the stand that the Council's orders were not lawful.

The Strategy of Singapore

BY NICHOLAS ROOSEVELT

(Reprinted from Foreign Affairs, N. Y.)

SINGAPORE guards the western gateway of the Pacific. Situated at the extreme southeastern corner of Asia, where the tongue of the Malay peninsula protrudes into the East Indies, it is so favored by geography that ships plying between Suez and Japan as well as between India and Australia must pass within a mile of it. Off Singapore the waters of the Indian Ocean, the China Sea and the Java Sea meet. Like Panama, Gibraltar and Suez, it is one of the great focal points for shipping, where geography forces far-flung lines of communication to converge.

The strategical significance of Singapore was first appreciated by Sir Stamford Raffles, agent for the East India Company, whose brilliant career and services to the British Empire have never received proper recognition. He it was who in 1819 planted the British flag there, only to be scorned and denounced by the Little Englanders of his day. "It gives us," he wrote a friend, "the command of China and Japan, with Siam and Cambodia, to say nothing of the islands (the Dutch East Indies and the Philippines) themselves." Within a half century of his unsung death the city which he founded was one of the great ports of the world. Today as much commerce flows past it as through Panama or Suez. Its importance as the great Eastern outpost of the British Empire is at last being realized, despite the efforts of pacifists and present-day Little Englanders to discredit it. As early as 1882 the first elements of a naval base were laid down, but only in 1921 was it decided to ask Parliament for £10,500,000 to make Singapore the principal naval station in Eastern Asiatic waters.

SINGAPORE'S CENTRAL POSITION ON FAR EASTERN TRADE ROUTES

In order fully to appreciate the importance of Singapore it is necessary to examine the accompanying maps. From these it is clear that Singapore stands on not only the principal trade route from Europe to Eastern Asia, but also the line of communication that ties the Dominions in the Pacific to India and the rest of the Empire. To show the relative distances two circles have been drawn, with a radius of 1,500 and 3,000 miles respectively. Within the smaller circle lie the Dutch East Indies, the Philippines, French Indo-China, Siam, and the Bay of Bengal. The outer circle just touches Japan. The sailing distancss, in nautical miles, from Singapore to the principal ports are as follows: Nagasaki (the nearest Japanese seaport) 2415; Hongkong 1454; Manila 1370; Port Darwin (northwern Australia) 1967; Calcutta 1646; Madras 1591; and Colombo, Ceylon, 1585.

A Strategic Location

Aside from the general geographical position of Singapore in relation to trade routes, the local features are favorable for the creation of a naval base with ample storage facilities, Singapore is an island which fits like an egg into the cup of the Malay Peninsula. On the southern or outer edge, nearest the shipping lanes, is the commercial harbor and the city of 500,000 inhabitants who live by its trade. On the northern or inner portion is the site of the base, with ample anchorage space. It is protected from the sea by the surrounding low hills. The outer approaches through Dutch and English owned islands are readily defensible by mines and nets.

The base itself is to consist primarily of docking and storage facilities, rather than of costly fortifications. The reason for this is that the British fleet in Eastern waters is at present forced to depend on distant stations for supplies and repairs. This is particularly true of capital ships that cannot be drydocked at any point short of Malta, thirty-one days steaming distance from Singapore. There is at present a commercial drydock capable of handling ships of less than 10,000 tons. As part of the new naval base development a floating dock was shipped to Singapore and installed during the latter part of 1928, for the purpose of handling larger ships. At the same time the oil storage facilities were completed, and the provision depots planned with sufficient thoroughness to insure adequate supplies for Singapore so long as it does not fall into enemy hands.

The island is connected with the mainland by a granite and concrete causeway through which runs an aqueduct and over which is an excellent road for motor lorries and a double track railway. The presumption is that in the event of war it would be possible to supply Singapore overland from some port near the Indian end of the Malacca Straits. This causeway was at one time severely criticized by naval experts because it shuts off one of the two sea approaches to the base. The economic consequences of linking the island with the hinterland would seem, however, to outweigh these naval objections.

Not only in the United States, where the role of bases in naval operations has never been generally understood, but even in England, the question "Why Singapore?" has often been raised.

A Strategic Center

The answer, apart from the geographical factors already explained, is to be found in a further consideration of the functions of naval bases in peace as in war. The popular conception of a naval base as a highly fortified rocky eminence, like Gibraltar, is largely misleading. While a base must be safe from attack, its chief purpose is to give the fleet greater mobility in important strategic centers. This means primarily to provide fuel and supplies of all sorts, and to furnish adequate docking facilities so that in peace the ships' bottoms may be scraped and in war the necessary repairs made. A fouled bottom reduces a battleship's cruising radius, as well as its speed. In tropical waters it is particularly necessary to dock ships frequently in order to remove the rank growth that accumulates on them.

As a matter of fact it may be said that a fleet without a naval base within striking distance is much like an automobile in the Sahara. In war an injured ship has a chance of recovery if it can reach a near base. But if it has to travel many thousands of miles it is in imminent danger of annihilation. The existence of a well developed naval base with

drydocks and supplies at Singapore therefore greatly increases the mobility of the British fleet in Pacific and Indian Ocean waters, and so affords to the British possessions in these regions that same degree of protection which other portions of the Empire now enjoy.

The most succinct summary of the wherefores of the Singapore base was made by Mr. Amery, First Lord of the Admiralty, from 1921 to 1924, speaking in Parliament on March 18, 1924:

"Singapore is essentially in a British part of the world. It is actually the point of one of the richest and most progressive parts of the Empire. It is the key to the Indian Ocean, round which lies three-quarters of the land territory of the Empire. The Great Southern Dominions, India, and our East African possessions lie around that ocean. Three quarters of the Empire is around it also. We have not a single base in all that vast region at which a modern ship could be fitted or repaired .... There passes through that Ocean every year something like £1,000,000,000 worth of our traffic and a great deal of other traffic belonging to the rest of the Empire. Something like £160,000,000 worth of our ships and cargo is afloat in that ocean at any minute of the day. Singapore is the one point from which the whole area can be effectively defended and protected. More than that. If Singapore were an enemy base, there is no other point from which any part of that great area could be protected. It is also the only station on the way to Australia and New Zealand by which the fleet can move to their help. You cannot steam a fleet either from the Panama Canal or the Cape across to Australia and New Zealand. The only route by which help can come to the Southern Dominions is by way of Singapore. Once the fleet is at Singapore it already covers the approaches to these Dominions, and is in the best position to provide them with security."

Does Not Violate Washington Agreement

When the Singapore project was first discussed in Parliament it was attacked on three grounds: that it was a violation of the spirit of the Washington agreement; that it was an aggressive act against Japan; and that it would involve unwarranted and ever-increasing expenditures.

To the first complaint even Mr. Ramsay MacDonald, who was one of the strongest opponents of the Singapore project, took exception in no uncertain terms. Like Lord Balfour, who directed the British negotiations at the Washington Conference, he pointed out that at that Conference the boundary of the area delimited in the treaty as that in which fortifications were not to be strengthened was fixed at 110 degrees, and that Singapore, lying outside the boundary, was knowingly and expressly excepted from the agreement. This was understood at the time by the public as well as by the American, Japanese and other naval experts. The charge that the base violated the spirit of the Washington Conference may therefore be dismissed as specious.

To the second criticism the defenders of the base pointed out that Singapore is very nearly as far from Japan as England is from the United States. This is too great a distance for a modern fleet to operate successfully in an aggressive action against a strong fleet in its home waters. Furthermore, they pointed out that at the Washington Conference Great Britain had forfeited the right further to fortify Hongkong, and that the withdrawal on Singapore was, in fact, removing their Far Eastern base 1,500 miles farther from Japan. Finally, rather than establishing a new point of attack on the Island Empire, they insisted that Singapore was not directed "against" any nation any more than is Gibraltar or Malta.

To the third charge—that the base would entail increasing expenses—no adequate replies were made in the Parliamentary discussions. But it is interesting to note that the contract awarded in September 1928 for completion of the base called for an expenditure of only £7,750,000 instead of £10,500,000 as originally demanded.

An Imperial Base

Even today many Englishmen fail to appreciate the implication of the argument so ably put forward by Mr. Amery and others in Parliament—that Singapore is an Imperial, rather than a merely English, base. In fact, the pressure for the construction of Singapore came largely from the Pacific Dominions and colonies. At the various Imperial Conferences the Australian and New Zealand Prime Ministers, supported by New Foundland and on occasions by Canada, urged the creation of the base so that they might benefit from the protection of the British defense system. In order to show its earnestness, New Zealand contributed a sum of £1,000,000 and the crown colony of Hongkong £250,000. The Federated Malay States donated the land for the base and additional sums. Australia preferred to put her contribution into ships, but her officials never ceased demanding that the base be completed as rapidly as possible. When the Ramsay MacDonald government decided to halt work on the base in 1924, many people in the Dominions felt that England had betrayed them and, to use the words of the then Australian Prime Minister, that "incalculable harm" was done to the Empire's prestige.

The British Empire has not been alone in supporting this project. In the Dutch East Indies it has been hailed with enthusiasm and relief. Holland possesses in her tropical islands one of the richest treasure stores in the world. Not only is their present agricultural yield enormous, and their production of oil an important item in the world's supply, but they contain vast scantily-populated areas which promise to be as rich as Java when commensurately developed. This empire is unprotected. Holland's few cruisers in the Dutch East Indies, based on a small naval depot at Soerabaya, would be unimportant against even a second-class naval power. The Dutch have long known that as a result of this they hold the islands only on the sufferance of their neighbors. Hence they are keenly anxious to see the balance of power preserved in the Pacific. They realize that with a strong British fleet based on Singapore, Britain's interests, which, like those of Holland, are determined by the necessity of upholding the status quo, would automatically protect the Indies. In fact, with a base at Singapore, Great Britain could never permit the occupation of any of the Dutch islands surrounding Singapore by a power other than Holland. It would not be surprising, therefore, to learn that the already closely interlocked Dutch and British oil interests are factors in the Singapore situation. No agreement has ever been published, but that an understanding of some sort exists is generally believed in the Orient.

The Philippine Viewpoint

The Americans in the Philippines look with just as friendly an eye on the Singapore base as do the Dutch because they, too, care only about the preservation of the status quo in the Pacific. They realize that the provisions of the Washington Conference forbidding the strengthening of the existing island defenses, taken in connection with the distance of the islands from Hawaii, makes difficult their defense by the American navy alone. Hence they place much faith in the close community of interests between the Americans, British and Dutch in this section of the world as the best assurance of achieving the mutually desired peaceful goal.

The weakness of the Singapore base lies in the exigencies of European politics. The size of the fleet which Great Britain can base on Singapore, whether in peace or war, is determined by the demands of the European political situation. An example from history will make this plain. Prior to the German race for naval armament, Great Britain maintained a powerful fleet in Chinese waters, based on Hongkong. As the German fleet began to threaten the English fleet after 1908, it became necessary for the British to withdraw their Asiatic squadron upon the Mediterranean, and ultimately to make their principal concentration in the North Sea. While there is no imminent danger of a new threat from Germany alone, it is more than likely that if England were to become involved in a war in the Far East the enemy would seek to create a situation in Europe which would at least threaten England's lines of communications and so force the immobilization in European waters of an important part of the British navy.

But this does not mean that Great Britain would be defenseless in the East. In a war which threatened the status quo in the Pacific she would not be likely to be fighting single handed. None of the Powers in the Singapore area could view with impunity an attack on the possessions of one of the others in that region. Fortunately the likelihood of such an attack is at present infinitesimal. But it is the policy of the British Empire, if not of Holland or the United States, to run no risks in matters of defense and to prefer to make good-will doubly sure by preparing for all emergencies. It is not surprising, therefore, to find that despite the fact that England's financial contribution to the base was withheld during the premiership of Ramsay MacDonald, the work was carried on, thanks to funds from other portions of the Empire, and that it is now assured of completion within a few years.

Danish and German Firms Compete to Build Cement Factory at Canton

The Kwangtung Government has decided to open another cement factory at Yintak on the North River, near Canton. The Yin Tak site has been selected owing to the proximity of raw materials and good transport facilities. It is easily accessible both by water and the Canton-Hankow Railway and the hills in the vicinity of Yin Tak abound with the purest gypsum and lime stone, two essential ingredients of cement. The total cost of the construction and equipment will be in the neighbourhood of $2,000,000 and negotiations are already in progress between the Provincial Government and two foreign firms, F. L. Smith & Co. of Copenhagen, whose Far Eastern Head Office is in Tokyo, and F. Field & Co., a German firm in Canton.

Water Power in Szechuan

BY W. E. MANLY

A few days ago, one of the local papers of Chengtu stated that the former Commissioner of irrigation is now in Shanghai, and about to arrange a loan of twenty million dollars for the Kwan Shien hydro-electric plant. The sum of twelve million dollars was to come from Chinese who live abroad, and eight million was to be an American loan, the plant to be purchased in America. The paper went on to say that now at last we might expect to see this project completed.

The plan sounds very well, and by the use of a little imagination we can think of all Szechuan being lighted from such a plant without any dependence on the Asiatic or Standard Oil companies. The fact that two million dollars and not twenty million, is the amount really needed at present does not seem to trouble the promoters of this company. And they depend also on the fiction of unlimited water power at Kwan Shien.

It is something like the plan advocated in a Shanghai paper several years ago, to dam the Yangtse and develop a super-power to enrich all China. The plan was to dam the Yangtse in three places, install turbines to generate unlimited power for the use of the cities in the Yangtse valley. It sounded very well, for there is certainly plenty of power in the great river, but they had not considered the floods. At Chung-king the official records state that the difference between extreme high and low water is something more than one hundred feet. How to build dams and utilize the power of such a river in time of flood is an engineering problem not yet solved on this planet. It is simply impossible. And even if a million horse power could be developed tomorrow there would not be sale for a tenth of it on the upper Yangtse, not for the next ten years. More could be sold on the lower Yangtse, but no one has been rash enough to suggest increasing the floods by building dams on the lower Yangtse, even supposing the dams could be built there.

Hydro-Electric Possiblities

I have frequently had the Chinese ask me whether enough electricity could be generated at Kwan Shien to supply the whole Province, and recently a foreigner asked me practically the same question. As you see one of these rivers in time of flood, hurtling through the Plain, the question does not seem unreasonable, as it really is. For water power is to be measured, not at time of floods, but when there is the least volume. In the case of this river entering the Plain at Kwan Shien, the measurement is easy to make. It could not be easier if the conditions were made to order. But to understand it requires a little explanation of the general system of irrigation in use.

Where the river comes out from the mountains, and just underneath the big suspension bridge, is what they call the "fish'es snout". This is a bit of solid masonry which makes the first division of the waters. The two streams later separate into ten thousand branches which constitute the "outer and inner irrigation systems", of the Chengtu Plain. The Plain itself has a slope of from ten to twenty feet to the mile, so that the large streams have a swift current and their banks must be repaired more or less every year. The method employed is first to shut off the water from the "outer system" for two months and repair the dykes of the outer system, and then shut off the water from the "inner system" and do likewise.

Two years ago I went to Kwan Shien when the water was shut off from the "outer system" and took the necessary measurements in the dry bed of the river. A month later I returned when all the water was flowing down this outer channel, and measured its volume. It was easy to do because the river bed at that place is almost level and the suspension bridge above furnishes a convenient place from which to throw floats into the water to measure the velocity. I was surprised to find that the total volume was not more than 300,000 cu. ft. per. minute. The river was only 200 ft. wide and a little more than four ft. deep, and the velocity was less than 500 ft. per minute.

Not a Profitable Investment

A very little figuring shows that the total horse power per foot of fall is less than 500. That is, if a dam were built forty feet high, this at low water would furnish not more than 20,000 horse power. Compared to hydro-electric plants in foreign lands this is small indeed. In a recent number of the "Scientific American" it is stated that any one of the seven turbines on the Susquehanna River is capable of developing 54,000 horse power. That is, the total power to be obtained from a forty foot dam here is less than half that of a single turbine in America, though it is true that these turbines are among the largest in the world. It might be interesting to throw twenty million dollars into the river at Kwan Shien, but it could under no conditions be a profitable investment.

And yet approaching the problem from a different angle, there are wonderful possibilities for water power on this Plain. The fact that it has such a heavy slope and that irrigation streams run everywhere, makes it possible to develop small projects in a thousand different places. For instance there are eight water mills with falls of from five to eight feet within 200 yards of the Chengtu city wall. Within 1,000 yards of the arsenal is an eight foot fall which would furnish several hundred horse power. The Chinese are beginning to investigate these small water power possibilities. I want to speak of the biggest of these, the one at Kwan Shien.

Seventeen years ago the new Governor of Szechuan asked me to go to Kwan Shien and report on a hydro-electric development put forward at that time. That was when I became interested in the problem. Since then I have made several surveys, some of them of little accuracy and little use, but one of which has great value. This one parallels an old irrigation ditch, indeed it was this ditch which first suggested its possibility. Its inlet is opposite an island above the suspension bridge. It runs along the foot of the hills back from the river for a distance of nearly three miles. At the distance of 11,500 ft. from the inlet there is a very good place to locate a power house at the foot of the slope below the ditch. The discharge canal would require a twenty foot excavation through rice fields for a thousand feet to a small branch of the river. The difference of level between the inlet and outlet is 52 feet and this difference has been carefully measured.

Recently I was again in Kwan Shien and was surprised at a new development. The farmers who depend on this irrigation ditch have been having trouble to protect their water rights. Not only the river washing away their ditch, but a lawsuit costing them $2.000 caused them no little worry. So they have now cut a half mile of new ditch. Its inlet is five feet higher than the old ditch and its length is less by fifteen hundred feet. I felt a little chagrined that I had never seen this possibility because the elevation near the inlet shut off the view. But there it is, making possible a power canal with a total length of 11,000 ft. and an effective head of 50 feet.

The Situation Near Chengtu

This is the biggest possibility near Chengtu and it seems entirely feasible. The dam required to turn the water into the canal would need to be only eight ft. high at most, across a branch of the river 260 ft. wide. The canal should be fifty feet wide to provide for future expansion. It would have to be 24 ft. deep for half a mile but for most of the way it would follow the old irrigation ditch and be very cheap indeed. Since transportation is difficult it would be necessary to use small units, I should say units of 1,200 horse power. The current would be carried to Chengtu, a distance of thirty miles. The most economical plan would be to develop 2,000 or 2,500 horse power at a time, a second and a third expansion to be made as soon as the first was sold. The whole thing should not cost more than a million dollars to deliver 6,000 to 7,000 horse power to the west gate of Chengtu. The estimate of two million dollars is about right, not twenty million.

This would be but the beginning of such development on the Chengtu Plain. The one great difficulty now is that for two months of the year, every place whether in the "inner system" or the "outer system" is without a water supply. But if a third of the river were sent down over the "outer system" all the year round, it would make possible small power plants all over the western part of the Plain. There would first be the problem of caring for the dykes on this "outer system". This can be done with no great difficulty by building a second "fish'es snout" lower down on the "outer system". The Irrigation Commissioner approves of this solution, and says that the repairs lower down the river are slight compared to those at Kwan Shien. The cities and villages west of Chengtu would find this all-the-year-round water power a great boon, and would develop many plants to generate electricity. Chengtu itself is on the "inner system" but a cross canal exists which could bring water to the south gate of the city.

It is this practical development in a hundred different places instead of the imaginary and impossible twenty million dollar scheme at Kwan Shien which should interest any man who is in a position to help China industrially,

Chengtu, Szechuan, Jan. 15, 1929.

China's Programme of Foreign Relations For 1929

Tong Yueh-liang, Vice-Minister of Foreign Affairs, delivered the following address at Nanking January 2, at the Central Radio Broadcasting Station, as circulated by the Kuo Min News Agency.

"I am glad to have this opportunity of speaking a few words on what the Chinese Government has already accomplished during the last year in its foreign relations and on what it proposes to do in the present year and in the immediate future.

"The impetus which the recent Revolution has given to every phase of Chinese national life is indeed tremendous. Especially in our foreign relations, we have been able to settle, in the course of a few months, many difficult problems which have perplexed us for many generations. Only a couple of years ago, the then government at Peiping was holding a Special Tariff Conference to discuss all the problems involved in the rates of tariff; and in less than the last six months, we have concluded twelve new treaties which not only provide for the enforcement of an entirely revised schedule of rates, but which will also enable China to exercise complete tariff autonomy from the beginning of next month. These new treaties therefore mark the end or consummation of the movement for tariff autonomy which had caused so much agitation all through the years. There is still Japan, however, who continues to strike a discordant note. But if she is the last Power to sign the tariff treaty with China, we may yet hope that she will not lag behind in other things which China will presently take up with the Powers.

Four Other Issues

"With the question of the tariff satisfactorily settled, it remains for the National Government to assume the responsibility of settling four other main issues on which China receives unequal treatment. Our supreme duty is to fulfil the wishes of Dr. Sun Yat-sen and the aspirations of the people that China shall have freedom and enjoy equal status in the comity of nations; and that, in order to attain equality, all the hindrances to our national development which are embodied in those unequal treaties of ours with the foreign Powers must be removed and superseded by the conclusion of new treaties which shall be reciprocal in nature and based upon the principle of perfect equality and mutual respect of sovereignty.

"Of these, the two most important issues are the customs tariff which I have just mentioned and the exercise of consular jurisdiction. The question of extraterritoriality, I am happy to say, is also being satisfactorily solved. The treaties of six of the foreign Powers sanctioning the exercise of extraterritorial rights have expired, and in the new treaties which have been concluded to take the place of these antiquated treaties, five have already consented to relinquish these rights. These are Belgium, Denmark, Italy, Portugal and Spain. Again, it is Japan that chooses to disagree. In the course of the present year, it is our hope that Japan will fall in line with those five Powers; and, in addition to this, we shall start negotiations with those other Powers for the abolition of extraterritoriality even though their treaties with China on this subject have not terminated. So that by the end of the year, all the major Powers will have perhaps given back to China complete autonomous jurisdiction within her territories as they did last year in the matter of the customs tariff. The subject of extraterritoriality has really perplexed us for as many years as the tariff; and they have had almost identical history. Two years ago, at the time when there was a Special Tariff Conference, an Extraterritorial Commission was sent to China which investigated into China's judicial conditions and made a number of recommendations which were embodied in a lengthy report. Among other things, it recommended the promulgation of the Civil Code and the Commercial Code including negotiable instruments law, maritime law and insurance law. These two codes we shall hasten to promulgate in the course of the present year. (As a matter of fact, the new treaties provide that they shall be promulgated on or before the first of January 1930).

Abolishing Special Privileges

"It remains for me to consider three other groups of special privileges which the foreigner enjoys in China and which should be given up within the shortest possible period.

"The first of these is the rights of inland and coastal navigation. These rights are enjoyed by only a few Powers. But they are none the less unique; and if we have now decided not to be any more generous with our waters, it is because they have baptised the foreign vessel with a prejudice against our own navigation. In all civilised countries of the would, these rights are reserved exclusively for their own citizens or subjects; or if they are conceded at all to foreign citizens, they are done under very strict limitations. If China is going to do to her waters what others have done to theirs, she will only be supporting a principle of exclusion which is universally recognized and practised.

"The rights for the foreign vessel to visit Chinese waters was first conceded in the Treaty of 1858 with Great Britain in which Article X provided that "British ships shall have authority to trade upon the Great River (Yangtse)". The privilege gradually extended in two ways. Through the most-favored-nation treatment, it extended to other Powers as well. And secondly, the privilege spread from the Yangtse River to other rivers and to the coast of China. But more than that, while originally the privilege was only reserved for trading vessels, even men-of-war can now sail into the heart of the country. It is impossible to gainsay that the abuse of this privilege has been responsible for many unhappy incidents between China and the foreign Powers, and that the sooner it is removed, the better it is for all of us. In any case, the privilege is a serious infringement on Chinese sovereignty; and in the new commercial treaties for which negotiations will immediately begin, precautions will be taken against this privilege.

"It is hoped that in the course of the year, a whole series of commercial treaties will be negotiated. The twelve new treaties which I have mentioned are all preliminary treaties in which general principles are incorporated. It is for the commercial treaties to amplify these principles and to apply them to specific circumstances which vary with the different countries. The commercial treaties are therefore apt to be very elaborate documents, and will take some time to complete. Already preparations are being made for the negotiations which will shortly begin with the French Government on the subject of the overland trade between China and the adjacent territory to the south which is under French jnrisdiction. Count de Martel arrived at the Capital yesterday to open negotiations. In a similar way, extensive and elaborate discussions will be begun with the other Powers.

The Leased Territories

"Now as regards the leased territories, concessions and settlements which constitute another group of special privileges impairing the sovereignty of the Chinese nation. This subject is intimately related with other subjects as, for instance, with extraterritoriality, so that when these other subjects are satisfactorily settled, there should be no difficulty in reclaiming absolute control over these lands. Besides, much has already been accomplished which should hasten the solution of this question. Kiaochow was recovered after the Great War. The British Concessions at Hankow and Kiukiang are now once more under Chinese administration. As far back as seven years ago, Lord Balfour made a statement on the restoration of Weihaiwei. Negotiations were already begun along that direction, and before long, it is our hope that all will be started anew and speedily settled. As regards the French leased territory of Kuangchowwan, both M. Viviani and M. Sarraut had likewise explicitly declared that it would be returned to China. There is every indication, therefore, that when these friendly demonstrations are adequately substantiated, it is only a question of time that the other leased territories will be led into the same fold, especially those which have no treaty status or legal basis.

Foreign Troops and Garrisons

"And lastly, I must consider the stationing of foreign troops and garrisons on Chinese soil, The Boxer Uprising was responsible for the appearance of the foreign Legation guards and of troops between the former capital, Peiping, and the sea. The Legations are today in a most unusual condition, and the maintenance of these guards is, of course, even more unusual when the Capital is thousands of miles away in Nanking. At all events, the conditions out of which the Boxer Uprising developed having long disappeared so that to say the least, it is an anachronism to continue stationing troops between the former capital and the sea. It is all very well to be conservative when there is something to recommend it; as, for instance, it is beautiful to see the Guards changed every day at Whitehall in London, or to witness similar practices at Westminster. But the foreign troops and guards at Peiping are, instead of being anything beautiful, an eyesore and have nothing to justify their existence. Besides, the violent abuse of this privilege to station troops in other parts of Chinese territory has made it increasingly necessary to demand their immediate withdrawal. We can trace many cases of international friction to the existence of these troops; and so long as they remain, they will either directly or indirectly, intensify unfriendly feelings between nations, and weaken the guarantee for peace in the Far East. I regret to have to say that even at this very moment the factor which makes peace in this part of the world none too reassuring is precisely the presence of this unwelcome foreign

(*Continued on page 414*)

Guide to Trade Mark Registration

(Issued by the National Bureau of Registrations, Ministry of Industry, Commerce and Labor, Nanking.)

Examination of Former Peking Trade Marks

In applying for examination of a trade mark that was registered with the former Bureau of Trade Marks, Peking, prior to May 1, 1927, the original certificate shall be submitted. In addition, each mark shall be accompanied by five samples and ten dollars for Examination Fee. Registration shall be granted to the applicant, after his identity has been verified. The original certificate shall then be stamped and returned to the applicant.

An Application in Order filed with the Bureau of Trade Marks, Peking, prior to May 1, 1927, may, in compliance with the existing regulations, be announced in the Trade Mark Gazette and registered with the Bureau of Trade Marks, Nanking, provided an application is made with ten samples, one block, one quarter of the Registration Fee as required in Art. 34 Sec. 1 of the "Detailed Regulations for Trade Marks Registration" (i.e. $10), five dollars for Process Fee and one dollar for Stamp Tax. Such an application shall be examined by the Bureau of Trade Marks like a new mark and shall be announced in the Trade Mark Gazette. If, at the expiration of six months, no protest is filed, or, in case of a protest, after the said protest has been satisfactorily attended to, registration shall be granted.

With exception of the cases as specified in Art. 7 of the present "Regulations for the Examination of Former Peking Trade Marks," trade marks and Applications in Order issued by the Bureau of Trade Marks, Peking, after April 30, 1927, are hereby required to be submitted to the Bureau of Trade Marks, Nanking, for re-registration. Each application shall be accompanied by ten samples, one block, forty dollars for Registration Fee, five dollars for Process Fee, one dollar of Stamp Tax for the certificate and twelve dollars for Educational Surtax. Trade marks and Applications in Order submitted for re-registration under this provision shall be examined by the Bureau of Trade Marks like new marks and shall be announced in the Trade Mark Gazette,

Assignments

Permission for assignment of rights granted by the former Bureau of Trade Marks, Peking, prior to May 1, 1927, may be re-affirmed by the Bureau of Trade Marks, Nanking, provided the original certificate is submitted with five samples and ten dollars for Examination Fee. Registration is granted after the identity has been verified. The original certificate shall then be stamped and returned to the applicant.

Permission for assignment of rights granted by the former Bureau of Trade Marks, Peking, later than April 30, 1927, to trade mark certificates issued before May 1, 1927, may be re-affirmed by the Bureau of Trade Marks, Nanking, provided an application for both examination and assignment is filed and the following provisions are complied with:—

(1) For examination under this item, it is required to submit the original certificate, five samples, and ten dollars for Examination Fee;

(2) For assignment under this item, it is required to have twenty dollars for Assignment Fee, five dollars for Process Fee and six dollars for Educational Surtax.

New Trade Marks

Application for a new trade mark shall be accompanied by ten samples, one block, forty dollars for Registration Fee, five dollars for Process Fee, one dollar for Stamp Tax and twelve dollars for Educational Surtax. The block must accompany the application.

Samples and the block shall not exceed 4" by 4" of the new standard measurement (i.e., 12.8cm.).

In case a color print necessitates a larger measurement, a sample for same must be presented together with ten black and white pulls made from the block.

Other Information

Applications must be legibly written. Writing in running hand and erasures are to be avoided. If the original is in a foreign language, a Chinese text should be rendered.

If the applicant is a foreigner, he is required to submit evidence of nationality. For this purpose a declaration signed by a consular official is admitted as evidence. In case of registered firms, companies, or corporations, a declaration signed by the Registrar of Companies is also acceptable. The requirement of evidence of nationality applies also to agents acting on behalf of their principals. If the owner of a trade mark having neither residence nor office in China, he should apply through an agent having such office or residence with power of attorney.

It is not necessary to apply for a trade mark through an agent for Chinese and foreign business men who reside and maintain an office within the territories of the Republic of China. These business men can get prompt service by applying in person at the Bureau of Trade Marks, Nanking, or its branch office at Shanghai.

Application blanks can be had gratis by applying to the Bureau of Trade Marks, Nanking. It is necessary to specify the use for which the blank is intended (whether it is for new mark, for examination old marks, or for Affiliated Trade Marks, etc.), Each blank shall be used for only one trade mark. But several blanks may be included in one single envelope.

A Stamp Tax of ten cents is required for each application. This should be attended to by the applicant.

Upon refusal to register a trade mark, the prepaid fees shall be refunded with the exception of the Process Fee.

For further information, refer to the recently promulgated "Regulations for the Examination of the Former Peking Trade Marks," the Trade Mark Law and the "Detailed Regulations for Trade Mark Registration."

Protection and Law Enforcement

If a trade mark that has been registered or filed as an Application in Order with the Bureau of Trade Marks, Nanking, is imitated or made use of by an unauthorized party in violation of Art. 39 Secs. 1-7 of the Trade Mark Law, the owner of the said mark is privileged to bring suit against the perpetrator in the local court. The trade mark certificate issued by the Bureau constitutes a prima facie evidence. Upon conviction, the perpetrator will be duly punished by the court. The same privilege is extended to holders of trade marks and Applications in Order which were issued by the former Bureau of Trade Marks, Peking, but which have since been examined and approved by this Bureau.

Should a trade mark that has been registered with or filed as an Application in Order in this Bureau be imitated or made use of by an unauthorized party who can not be identified, the owner of the said mark can notify the Bureau and ask for an investigation. Upon receipt of such an application, the Bureau will do its best to detect and prosecute the perpetrator of the offence. The same protection is extended to holders of trade mark certificates and Applications in Order which were issued by the former Bureau of Trade Marks, Peking, but which have since been examined or approved by this Bureau.

Use of unregistered marks or marks obtained by fraud in violation of Art. 43 Secs. 1-3 shall be prosecuted by this Bureau.

Nanking, Jan. 22, 1929.

CHINA'S PROGRAMME OF FOREIGN RELATIONS FOR 1929

(Continued from page 413)

soldiery. It is impossible for a nation to be apathetic and not to feel restive when a large tract of their sovereign land is being ruthlessly exploited at the point of bayonets. And when that mailed fist is further displayed in the province which gave birth to our civilization, then the time may come when people might be constrained to resort to not a single force, but a combination of forces, until it ultimately recoils into its own disgrace. It should now become quite clear that the responsibility which the Chinese Government has assumed for itself in making the Far East free for foreign trade which shall enjoy as far as possible an equality of opportunity is no light one. To be given practical sympathy is to hasten the approach of the days of peace which the whole world craves. But, under any circumstance, it is now no longer possible to undermine China's will to be a genuinely free and independent nation, for that, after all, is the best guarantee for peace in this part of the world, or, shall we say? in other parts of the world also."

The Anticipation

IMAGINARY CONVERSATION BETWEEN MR. AND MRS. CHANG AFTER THE THIRD NATIONAL KUOMINTANG CONGRESS

BY HAN LIH WU,
Late "Sin Wan Pao" Correspondent in London

It was a fine evening. The final meeting of the Third National Kuomintang Congress was just over, Mr. Chang, an active member of the Congress, came home in an auto. He rang the door, and presently Mrs. Chang opened it. The following conversation immediately took place.

MR. CHANG.—Hullo! dear. Well, how is it that you didn't go to Mrs. Wang's party?

MRS. CHANG.—Just wait till you answered me. Tell me, dear, what good news make you seem so happy?

MR. CHANG.—Good news? Yes, indeed. Oh! I am so glad that the Third National Kuomintang Congress came to such a successful end.

MRS. CHANG.—Will you please tell me the results?

MR. CHANG.—Sure, dear. The first pleasantness about the meetings is that we never splitted on any question, however important the question may have been. It is because all the delegates were conscious of their heavy responsibilities and were, therefore, very careful in making speeches or suggestions. All our effort and attention were, with almost no exception, concentrated on the sifting and clarification of facts and on them alone were our discussions and resolutions based. I dare say, this was the first time we entirely got rid of theoretical—nay, pedagogical and mostly irrelevant controversy and showing-window resolutions.

MRS. CHANG.—Do you mean to say that you have made no resolutions as to the broad principles you should follow in the beginning of national reconstruction?

MR. CHANG.—No, dear, Resolutions on broad principles we have made, but what I mean is that there are no paper resolutions or resolutions that are made on mere theoretical considerations, and what resolutions we have made—they are few in number, I assure you—are based entirely on ascertained facts and the need of actual cases as they were brought up.

MRS. CHANG.—Will you please inform me about the few resolutions you were just saying?

MR. CHANG.—Sure, dear. But the first few resolutions that were passed in the last few days I believe I have told you. Shall I just tell you now the three final and, as I think, the most important resolutions that were passed to-day?

MRS. CHANG.—Yes, please.

MR. CHANG.—I shall read from the copy I took with me. First concerning Education,

"It is resolved that, as the strength of a country depends ultimately upon the extent its public is organized, and the extent its public is organized depends upon the extent it is informed and educated, the following measures be adopted and enforced:

"1. That the primary education should be made compulsory to every Chinese citizen, irrespective of race, religion, and sex.

"2. That no school-day should be made a holiday or used other than for regular studying unless specially approved by the educational authority.

"3. That students' unions and such-like organizations, however helpful and important they may have been to the past political and educational development, should henceforth be limited to their own sphere of promoting the interests of students outside regular scoool work.

"4. That the financial aspect of education should be made secure by means of the establishment of a separate fund for this special purpose.

"5. That the appointment of university, college, and middle school teachers and administrators should be based strictly on merit, and that after appointment, they should be put under the protection of law."

MRS. CHANG.—I say, it is really a "pinchy" resolution.

MR. CHANG.—Second, concerning Agriculture.

"It is resolved that, as China has long been an agricultural country, and as the production of food products and other raw materials is most necessary to the country's existence and industrial development, the following measures be adopted and enforced:

"1. That the clearing of bandits and other unlawful association in rural districts especially should be done in the shortest possible time limit set by the Ministry of Interior, in cooperation with the Ministry of Military Affairs.

"2. That, pending the adoption and enforcement of new land statutes, which must be within the limits of the equalization plan of the late President Sun, the division of cereal products should universally be 80 % for the tenants and 20 % for the landlord.

"3. That the Ministry of Agriculture and Mining should immediately set itself to the task of large-scale dissemination of the knowledge of scientific tillage, and large-scale experimentation for the improvement of seeds and their sending to farmers, the formation of cooperative societies for the selling of products, the gradual enforcement and subsidizing of the drainage system, and other such tasks as are necessary and conducive to the prosperity and welfare of farmers.

MRS. CHANG.—How interesting! Oh! anything concerning Industry?

MR. CHANG.—Just listen. The third:

"It is resolved that, as the prosperity and welfare of a people depends largely upon its industrial development, and as industrial development depends largely upon the accumulation of capital, the opening up of resources, and the cooperation of employers and employees, the following measures be adopted and enforced:

"1. That foreign investments in China, after having been certified by the Government, should be protected by law.

"2. That private companies and enterprises, except subject to universal industrial legislation, should be allowed full freedom of action in their management.

"3. That at least one-third of the savings from the disbandment and reorganization of armies should be put to the institution, encouragement, and subsidizing of new industries and enterprisee.

"4. That the Central Labor Committee should immediately set itself to the promulgation of a practicable labor law, and the formation of an arbitration board, or trade boards, with final power for the settlement of labor disputes."

Mrs. CHANG.—Great! I congratulate you upon the unprecedented success.

MR. CHANG.—But how about Mrs. Wang's party?

Mrs. CHANG.—Oh, don't worry, dear. Before you came in, I had already seen tonight's Extra in which was reported—though fragmentarily—the final success of the Congress, and by chance I also caught the ad. saying that Miss Wu is starring at the Capitol in a new play called 'Looking Ahead,' whereupon I telephoned Mr. Wang that we all go to the Capitol. How do you . . . Oh! there they are . . . at the doorway . . . come in . . . Hullo, dearies.

Mrs. WANG AND OTHERS.—Hullo! Mr. and Mrs, CHANG.

Mr. CHANG.—I see! Now let's hurry.

Details of China's Navy

According to a tabulation prepared by the Navy Department of the Ministry of War and submitted to the Military Reorganization and Disbandment Conference at Nanking recently, the National Navy of China consists of four squadrous, three of which are in active service, the remaining one being used for training purposes. Following is a list of the names of the ships together with their Commanders:—

1st Squadron under Vice-Admiral Chen Chih-liang:—*Haiyung*, Wang Shao-ting; *Haitsou*, Li Meng-pin; *Yunchien*, Chen Hung-tai; *Yunchih*, Ouyan Chai; *Hunan*, Chai Chin; *Puan*, Chen Yun-chin; *Tingan*, Fang Yun; *Kuehan*, Wang Chou-yuan; *Haihung*, Chen Tih-tze; *Haiku*, Chih Tsui-yin; *Haiou*, Shen Yi-mou; *Haichou*, Chou Hsien-chang.

2nd Squadron under Vice-Admiral Chen Shao-kwan:—*Tsuyu*, Chu Hsih-chung; *Tsuan*, Liu Chen-chih (acting); *Chienwei*, Hsuen Chih-hwa (acting); *Tsutung*, Liu Chin-huan; *Tsutai*, Yu Chin-chieh; *Tsuchien*, Meng Hsou-chun; *Tsukuan*, Yen Shao-hwa; *Kiangyuan*, Yang Shu-han; *Kiangtsen*, Teng Cheh-hsun; *Hsienlin*, Tseng Kwan-yin; *Tehshen*, Kao Hsieh-chien; *Weishen*, Lo Tze-tung; *Kiangkuen*, Jen Kuang-hai; *Kiangshi*, Yang Chin-sen; *Kuangshen*, Sah Sih-chin; *Yihshen*, Chiang Yuan-fu; *Yungshen*, Tai Hsih-chin; *Chenshen*, Li Meng-kwang; *Litung*, Chou Han-hsun; *Futing*, Su Chuan-hsi.

3rd Squadron (destroyer-cruisers) under Vice-Admiral Tseng Yi-ting:—*Lienchin*, Chen Pin-chin; *Chien-kang*, Si Kueh-hsien; *Yuchang*, Yu Chin-wei; *Hupung*, Wang Chung-yi; *Huou*, Chou Hsih-wen; *Yuyin*, Lu Chin-hsien; *Hutsun*, Chen Tao-fang; *Shenchih*, Huang Chung-chin; *Suchih*, Kan Li-chin; *Liehchih*, Lu Chieh; *Changchih*, Tang Pao-huang.

4th (Training) Squadron:—*Yinhai*, Liu Yuan-chuan; *Tungchih*, Li Hsih-chah; *Chinan*, Kao Hsien-sen."

The Execution of General Yang Yu-ting

(From a Correspondent)

The recent execution of two prominent officials in Mukden does not seem to have attracted the attention it deserves. After a sneer at Marshal Chang Hsueh-liang for his brutality and a hint that he after all does not seem to be much better than his lawless father, the case is dismissed by both the Chinese and foreign press as being of little interest. Just as the murder of Marshal Chang Tso-lin remains an unsolved mystery this incident seems also on its way to become one of the many unexplained chapters in China's history. From a purely historical point of view it is therefore desirable to try to analyze the real motives for the executions.

The circular telegram sent out by Marshal Chang Hsueh-liang clearly states that the charges against the officials were: high treason, disobedience of orders and corruption. The facts regarding the disobedience and corruption are clearly stated in detail, whereas no statement is given regarding the high treason. The court-martial however condemned the accused to death for high treason only, the other charges being not considered. It is evident that the facts regarding the high treason are not disclosed for fear of compromising a friendly power, but some knowledge of the history and character of the two men makes it possible fairly accurately to guess the underlying motives for their execution.

It is well known that General Yang Yu-ting during Chang Tso-lin's lifetime was the latter's most trusted political and military adviser. Shrewd, hardworking and unscrupulous, he served his master well—nobody can blame him for having served himself well at the same time. It is also well known that his relations with official Japan were very intimate, and that the friendly attitude of the Japanese Government towards the Chang Tso-lin regime was largely his work. Serving for many years as director of the Mukden Arsenal, he was the creator of this mighty undertaking, without which Chang Tso-lin's military successes had hardly been possible. That the Mukden courtmartial, consisting of his own friends and comrades-in-arms, felt justified in condemning a man with his distinguished career to death, undoubtedly points to unusual circumstances.

His Vanity Wounded

It is certain that General Yang Yu-ting after Marshal Chang Hsueh-liang's assumption of office as his father's successor in Manchuria, felt himself so to say "out of it." He was used to be in the centre of things, trusted with the most secret and delicate negotiations—and now he was degraded to be commander of an army under a young man whom he was used to regard as pure boy. His vanity was wounded, his career checked—and what is more hateful to an ambitious man? Being in that state of mind, it is not surprising that he listened to the seditious voices of certain foreigners who offered to help him to regain his influence—at a certain consideration. The foreigners were getting nervous over Marshal Chang Hsueh-liang's openly declared sympathy for the Nationalist government and his willingness to submit Manchuria to the orders of Nanking. They realized that that meant a united and strong China, and that must be stopped by all means—fair or foul. And it was so ridiculously easy to stop it. If Chang Hsiao-liang disappeared, Yang Yu-ting was his only possible successor—and he would not let Manchuria come under the Nanking Government. Evidence produced at the trial showed that Yang Yu-ting in consideration for being helped to regain his political power in Manchuria had promised the foreign power:

1. To allow the foreign power to use the productive capacity of the Mukden Arsenal for its own purposes. It is in this connection to be remembered that both infantry rifles, machine guns and fieldguns now manufactured at the Arsenal are of exactly the same pattern as those used in the foreign army, wherefore no alterations in the machinery would be necessary. Though not any more officially acting as Chief of the Arsenal, Yang Yu-ting knew that he had the whole organisation at his command whenever necessary, all the departmental chiefs and engineers being his protegees.

2. To use his influence with the Mukden army for making it join the foreign power in case of war with another power.

General Chang Ying-huai was a well known vice-minister of Communications during the Chang Tso-lin regime in Peking. In this capacity he was instrumental in financing and building all the new railways in Manchuria, and had during his short stay in that office time enough to make his owu relatives and friends directors of those railways. After Chang Tso-lin's retreat from Peking he was made civil governor of Heilungkiang, but retained through his friends his influence on the railways. In Heilungkiang his colleague as military governor was general Wan Fu-lin, and it has long been known that those two from the very beginning were at loggerheads and tried to oust each other from office. At the court-martial Chang Ying-huai was charged with having refused to return the much disputed rolling stock taken from all the railways in China at the retreat of Chang Tso-lin from Peking. But he was also charged with having in cooperation with Yang Yu-ting promised to finance a possible military expedition by the revenues from the railways, and to have promised to use his influence in Heilungkiang for using all the numerous disbanded non-commissioned officers for organisation of a new army.

So the plot was hatched, it only remained to dispose of Marshal Chang Hsueh-liang. How that was supposed to have been done has never been disclosed; whispers have been heard about numerous foreign soldiers arriving disguised in Mukden, Fact remains that the government in Mukden knew that the danger was imminent, and acted accordingly.

Marshal Chang Hsueh-liang has through his quick action more than ever showed his loyalty to the Nanking government and its policy: China for the Chinese. He can in spite of all criticism rest assured that all thinking Chinese and foreigners will thank him for having acted as a man and a true patriot in a very critical situation.

Mukden, Jan. 28, 1929.

An Additional Sidelight on Mukden Executions

An additional sidelight on the execution of Yang Yu-ting and Chang Yin-huai by Chang Hsueh-liang is given in an *Asiatic News* agency telegram from Peiping, dated January 18, which was published in the *North China Star*. It is stated that Yang Yu-ting several months ago had ordered from Soviet Russia 50,000 rifles, 1,000 light machine guns and 200 automatic rifles secretly. These munitions duly arrived at Yingkow and their arrival was reported to General Chang Hsueh-liang, who immediately instituted an investigation. General Yang claimed that they were material and machine parts purchased by the arsenal, while Chang Yin-huai, on being questioned, also claimed that he purchased them for the railway and the shipment comprised only railway material. The consignment was then ordered brought to Mukden. Chang Hsueh-liang, on investigating the matter, became convinced a plot was being hatched to undermine the present authority in Mukden, and instituted a court-martial, with the results as previously reported.

Growing the Tung Tree in Florida

Advices from Fernandina, Florida, state that T. Morris Carnegie, nephew of the late steel magnate, is carrying on experiments near that city with a view to producing wood oil from the Chinese tung tree.

Several years ago Mr. Carnegie, obtained some of the Chinese tung oil-tree seeds and planted them on his estate. The trees grew and thrived, and he called in B. F. Williamson, a botanist from Gainesville, to assist him in their cultivation and care.

Now the trees have matured, and the first experiment in crushing tung oil from the nuts is to take place this winter at a refinery at Gainesville. Wood oil is used in the manufacture of water-proof paints, varnishes and cloth, as well as compounds for the insulation of motors, dynamos and cables.

If the experiments are successful, Mr. Carnegie expects to plant several hundred acres of his island estate in Chinese tung trees and to carry out the manufacture of the oil on a commercial basis.

National Bureau of Registration Issues Trade Mark Record No. 9.

The National Bureau of Registration at Nanking publishes monthly the *Trade Mark Record* in which are given complete details, including illustrations of chops, of trademarks which have been issued. The current issue contains 42 pages and shows that large numbers of both foreign and Chinese firms are registering their marks with the Bureau. An announcement in the *Record* states that the time limit for the re-examination of trade-marks formerly registered in the Bureau of Trade Marks, Peking, has been extended to April 18, 1929.

Government International Radio Service

Notice is hereby given that this Administration has now been instructed by the Ministry of Communications to handle international testing radiograms for general public correspondence, the service of which will commence on 15th January, 1929.

All radiograms destined to the following places will be accepted at our SHANGHAI RADIOGRAMS TRAFFIC OFFICE, 30 AVENUE EDWARD VII, TEL. NO. 62377:—

EUROPE: ALL COUNTRIES, GREENLAND, ICELAND, TURKEY in ASIA,
AFRICA: MOROCCO,
NORTH-AMERICA: U.S.A., MEXICO,
CENTRAL-AMERICA: ALL COUNTRIES,
SOUTH-AMERICA: ALL COUNTRIES,
WEST INDIES.

TESTING RADIOGRAMS TARIFF.

TO	Ordinary	Deferred
EUROPE	Mex. $	Mex. $
All Countries	1.50	.75
Azores	1.75	.90
Canary-Islands, Faros-Islands,	1.60	.80
Greenland	1.85	.95
Iceland	1.65	.80
Svalbard (Spitzbergen)	1.65	.85
Turkey in Asia	1.70	.85
AFRICA		
Morocco 1) Spanish Zone via Tanger	1.60	.80
Morocco 1) Spanish Zone via Spain	1.55	.80
Morocco 2) all other offices	1.60	.80
NORTH-AMERICA		
California: Alameda, Berkeley, Oakland, S. Francisco	1.80	.90
California: Other stations	1.95	.95
New Jersey: Hoboken, Jerseycity, Unioncity	1.95	1.00
New Jersey: Other stations	2.05	1.05
New York: Newyork City and all stations within the tariff of Newyork City	1.95	1.00
New York: Other Stations	2.05	1.05
Arizona, Idaho, Nevada, Oregon, Utah, Washington State	1.95	.95
Connecticut, Maine, Massachusetts, New Brunswick, New Foundland, New Hampshire, Nova Scotia, Ontario, Prince Edward Isl., Quebec, Rhode Isl, St. Pierre and Miquelon Vermont	1.95	1.00
Colorado, Dakota: North and South, Kansas, Montana, Nebraska, Vancouver Isl., Wyoming New-Mexico	2.00	1.00
Alabama, Arkansas Columbia Distr., Delaware, Illinois, Indiana, Iowa, Kentucky Labrador, Louisiana, Manitoba Maryland, Michigan, Minnesota, Mississippi, Missouri, Ohio, Oklahoma, Pennsylvania Tennessee, Texas, Wisconsin	2.05	1.05
Alberta, Carolina: North and South, Georgia, Saskatchewan, Virginia, West Virginia	2.10	1.05
Columbia: British: 1. Zone	2.00	1.00
Columbia: British: 2. Zone	2.10	1.05
Columbia: British: 3. Zone	2.10	1.05
Columbia: British: 4-9 Zone	2.20	1.10
Florida	2.15	1.10
Mexico	2.35	1.20
Alaska	2.45	1.25
Yukon	2.65	1.35

TO	Ordinary	Deferred
NORTH-AMERICA	Mex. $	Mex. $
Bahama Islands	2.65	1.35
Bermuda Islands	2.85	1.45
Turks Island	3.00	1.50
CENTRAL AMERICA		
Costarica, Salvador	3.00	1.50
Guatemala: S. Jose de Guatemala	2.90	1.45
Guatemala: Other Places	3.00	1.50
Honduras: British (Belize)	2.55	1.30
Honduras: Republic of	3.00	1.50
Nicaragua: S. Jose del Sur	2.90	1.45
Nicaragua: Other Stations	3.00	1.50
Panama: Almirante, Boccas de Torre	3.50	1.75
Panama: Ancon, Balboa, Colon, Cristabol, Panama	2.95	1.50
Panama: Other Places	3.00	1.50
SOUTH AMERICA		
Argentine, Chili, Paraguay, Bolivia,	3.10	1.55
Ecuador	2.95	1.50
Uruguay	3.30	1.65
Venezuela	3.50	1.75
Brazil: Pernambuco	2.45	1.25
Brazil: Amazon Stations I Region	3.65	
Brazil: Amazon Stations II Region	4.30	
Brazil: Other Stations	3.00	1.50
Columbia: Buenaventura, Cartagena, Valle, Barranquilla	2.95	1.50
Columbia: Bogota	3.00	1.50
Columbia: Other Places	3.10	1.55
Falkland Isl: Port Stanley	3.70	1.85
Guayana: British: Georgetown	3.25	1.65
Guayana: French	5.10	
Guayana: Dutch	4.65	
Peru: El Encanto, Iquitos, Leticia, Masisea, Puerto Maldonado	3.50	1.75
Peru: Other Places	3.30	1.65
WEST INDIES		
Antigua, Trinidad	3.25	1.65
Barbadors	3.00	1.50
Cuba: Havana	2.25	1.15
Cuba: Other Places	2.35	1.20
Haiti: Port au Prince	3.15	1.60
Haiti: Other Places	3.25	1.65
Dominica: Republic: La Romana	3.35	1.70
Dominica: S. Domigo. Puerto Plata	3.15	1.60
Dominica: Other Places	3.20	1.60
St. Thomas	3.15	1.60

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152 Sinza Road, Shanghai.

Zinc in the Far East

BY BORIS P. TORGASHEFF

(*Sometime Lecturer of the Peking National University*).

WITH regard to zinc the Far East is in a most satisfactory situation relative to the world's market, inasmuch as it possssses large reserves of zinc ores already discovered, and there are reasons to suppose that new regions will be opened containing zinc ores in commercially important quantities. The zinc ore of the Far East is already a product of importance in the world market, and, therefore, in order to place a value upon the actual, zinc industry in the Far East and which it will be possible to develop it is necessary to be familiar with the general situation of the world's market in zinc. It may be summarized by the following table, drawn up by the author, showing the consumption, production and annual average prices of zinc in pig:

Table No. 1.

The world consumption and production of zinc in pig.

Year	Production in metric tons	Consumption in metric tons	Average prices in £
1902	540,000	540,000	—
1909	783,200	798,900	22-3- 0
1910	816,590	820,600	23-0- 0
1911	895,404	900,500	25-3- 2
1912	971,637	980,000	26-3- 1
1913	981,000	1,001,000	25-0- 0
1916	950,000	950,000	—
1922	715,000	763,800	25-2- 0
1923	936,000	939,500	29-2- 0
1924	1,010,000	1,010,000	32-9-10
1925	1,128,000	1,128,000	36-9- 1
1926	1,240,000	1,240,000	33-0- 0
1927	1,314,000	1,314,000	28-5- 0

This table clearly shows the firm growth of consumption and of world prices on zinc. This demand is so firm that it was but little affected even by the postwar depression, and the zinc-smelting countries experience a decided shortage in zinc ore. Under present actual conditions of consumption of zinc it is estimated that the world's market could easily absorb by 400,000 or 500,000 tons more than it disposes of at the present time.

World's Consumption

The *principal consumer* as well as producer of zinc, prior to the war and at present, is *the United States*. Prior to the war this country gave up to one third of the entire world production of zinc ore, and smelted annually nearly 315,000 tons of metallic zinc. At the present time the United States produce approximately 50 per cent of all zinc smelted in the entire world. Formerly the United States were in a position to furnish to other countries zinc ore as well as zinc in raw metal, but within recent years the demand for zinc has grown in the United States themselves to such an extent that this country at present hardly appears on the foreign markets.

The growth of the zinc industry in the United States is clearly due to the demolition during the war of the Belgian zinc smelting plants and the diminished production of zinc in Germany caused by the annexation to Poland of rich zinc regions formerly belonging to Germany. Before the war *Germany* smelted annually up to 270,000 tons of zinc, thus occupying second place, and producing up to 20 per cent of the world production of zinc ore. The third place in the zinc smelting industry has always firmly belonged to *Belgium*, where approximately 200,000 tons of this metal were smelted. The fourth and fifth places went to *England* (70,000 tons of zinc in pig) and *France*.

If it is taken into consideration that at one time prior to the war these four last named countries, Germany, Belgium, England and France, smelted up to nine tenths of the entire world production of zinc it becomes evident to what extent the war changed the zinc industry of the world, turning almost 50 per cent of the smelting of the world's production of zinc over to the United States.

Pacific's Importance

Among Pacific Ocean countries worthy of attention in connection with the production and export of zinc is *Australia*, which in normal times has contributed up to 15 per cent of the zinc ore produced in the world. Beginning with 1922 the home smelting of zinc, which, by the way, was started during the war, has grown rapidly, and at present Australia exports to Europe annually an average of more than 32,000 metric tons of zinc in pig and more than 325,000 tons of zinc concentrate.

It is in general characteristic that after the war, in small measure as yet, it is true, a number of new countries, which formerly played no important role in the foreign trade in zinc ore or zinc in pig, have shown a decided tendency to enter the zinc industry. In this connection, first of all, should be noted *the growing international importance of certain countries of Far Eastern Asia.*

Production by Countries

However, before going over to a study of the latter, it is proper to quote definite figures illustrating the post-war as compared with the pre-war production of zinc in different countries of the world. The below table compiled by the author from the Statistics of the British Imperial Institute, published in 1926, is given for this purpose.

Table No. 2.

The World's Production of Zinc in pig.

Countries	1913	1922	1923	1924	1925
	In thousand long tons				
United States	315	325	456	462	516
Belgium	194	115	145	160	179
Germany.....	278	125	35	40	58
Poland.....			95	92	113
Australia	4	23	41	46	46
England	58	18	33	38	42
Canada	—	26	27	25	34
Holland	24	10	16	18	21
Japan.....	—	11	13	15	15
Scandinavia..	17	5	5	8	11
France	—	—	49	59	70
Total, including others....	981	715	937	989	1,130

The above table mentions only *Japan* of the Far Eastern countries, but as it will be shown later, *the Russian Far East, China* and *Indo-China* are already regarded as large and promising producers of zinc ore, and there is everything to believe that they will undoubtedly in the near future occupy a prominent place also as smelters of zinc.

Far East

Not to mention the possibilities of discovering new zinc bearing regions and new reserves of zinc ore, what is already known relative to the Russian Far East, Indo-China and China shows that the Far East has considerable reserves of zinc, of undoubted world wide importance, and everything points to a bright future for their zinc industry. *The general situation on the world's zinc market is favorable for the Far East.* The world's market feels a constant shortage in smelted zinc as well as in ore, and *no new discoveries have within recent years been made anywhere in the world.*

However, up to the present the Far East has taken but slight advantage of this favorable situation. Only Japan is smelting zinc on a large scale, from imported ore, while China and Indo-China are selling their ores to Japan and for abroad thus foregoing the advantage they might derive from engaging in the zinc smelting industry themselves. The mining of zinc ore began in the Russian Far East prior to and during the war and is continued now but far from to the extent to which the industry might be developed.

The consumption of zinc by the Far Eastern countries is as yet not large, and is expressed by the following figures:

Table No 3.

Pig zinc Consumption in the Far East.

Countries	Metric tons
Japan	55,000
China	9,725
Russian Far East....	54
Others	100
Total.....	64,879

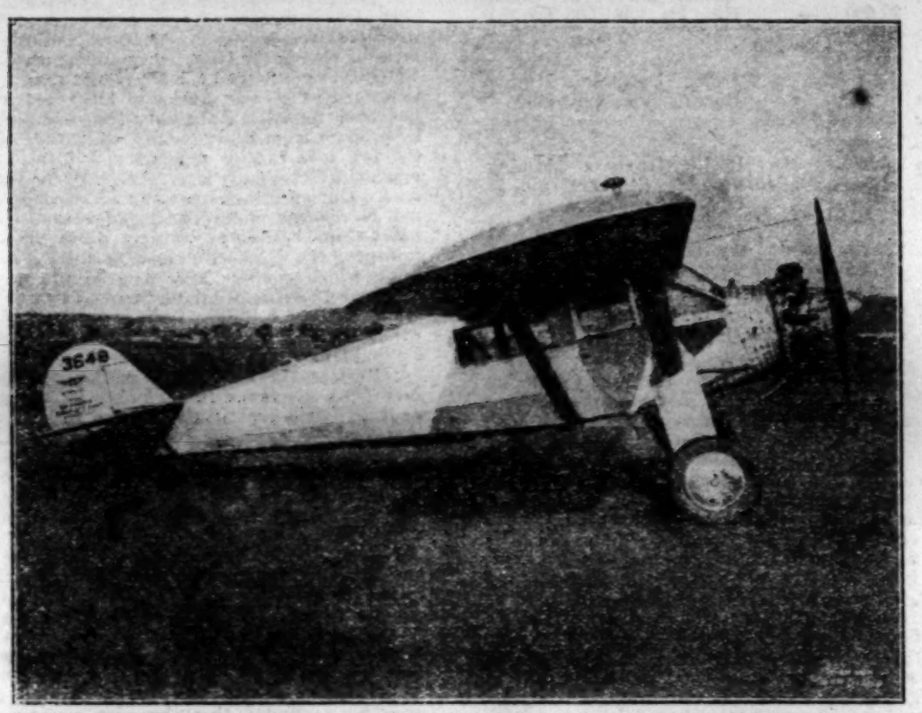
The above figure of 55,000 tons for Japan refers only to raw metal, but it should be considered that in addition that country imports an additional quantity of from three to five thousand tons of zinc in manufactured articles, which brings the Far Eastern consumption of zinc up *to a minimum of from 65,000 to 70,000 tons*, while at the same time the entire Far East produces only 28,000 tons of the zinc in pig, while the major portion of the mined ore is exported to *Belgium, Germany* and *France.*

The below table gives detailed data relative to the production of zinc ore and the smelting of zince in the Far East (In order to show the value of the exported quantities of zinc concentrates their quantities are expressed in terms of metal):

Table No. 4.

The Production of Zinc in the Far East.

Russian Far East			Average data for the period of production: 1911-1915 interrupted by—the war.
45% concentrates	28,500	—	
Equivalent in metallic zinc	12,825	2,103,300	



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China			*1925.* Statistics of the Geological Survey of China
42% concentrates, exported	29,600	—	Hk. Tls. 4,487,500 (at 80)
Equiv. in met. zinc	12,432)	3,590,000	
Home smelting ..	6,110)		
Japan proper.			*1925.* Japanese Mining Bureau Yen 7,990,468
Smelted from own ores.....	15,750	3,995,234	
Korea.			
45% concentrates	3,522	—	1925. Japanese Mining Bureau. (At the rate of U. S. 164 per ton).
Equiv. in met. zinc	1,585	259,940	
Indo-China.			1925. Official data of the Indo-China Geolo gical Survey.
48% concentrates	52,869	—	
Equiv. in met zinc	20,792	3.409,888	
Total	69,494	13,358,362	

which represents 6.1 per cent of the world's production of the zinc in pig, as against 5.9 per cent in 1924.

World Reserves

The extent of the possibilities of the Far East to develop the mining of ore and smelting of zinc may be perceived also from the fact that the known world reserves of zinc ore are placed at a rather low figure. These were estimated prior to the war by the German Government Geological Survey at *2,500,000 tons, exclusive of the Far East*, for definitely ascertained deposits.

No definite data are known relative to the reservse in the Far East. The zinc deposits are met with in a sufficient number in *China*, in large numbers in *Indo-China*, and according to all indications in still greater quantities it the *Russian Far East*, where in the Nerchinsk district alone in is estimated that there are up to 100,00,000 poods, or 1,638,050 metric tons of untouched reserves *of metallic zinc*, i.e. almost the same quantity as the German Geological Survey estimates *as the quantity in the entire balance of the world.*

In general, with regard to zinc ores, only the United States and Europe have so far been properly surveyed. Asia, Africa and even Australia have as yet been but superficially studied in this respect.

The Far East, with its wealth of zinc, will in the future play an important role in the world production of zinc, and the demand for zince will undoubtedly begin rapidly to grow also on the local market. So far zinc is being used almost exclusively in the United States and Europe, as seen from the below table.

Table No. 5.

The World's Consumption of Zinc.

Continent	1913	1922	1923
	In thousand tons		
Europe.....	696.6	360.5	468.7
America.....	283.1	345.1	415.6
Asia	16.3	51.7	44.5
Africa	0.6	1.5	2.7
Australia	4.4	5.0	8.0
Totals.....	1,001.0	763.8	939.5

As was shown in table No. 1, the world's consumption had by 1924 already passed pre-war figures, while in 1927 it reached the high figure of 1,319,000 tons, as against 981,000 tons in 1913.

Prices

Prices on zinc, as well as on lead, are set by New York, inasmuch as the United States is the principal producer as well as consumer ot zinc. We are giving below average annual prices of zinc in pig, so called *spelter*:

Table No. 6.

Average Annual Prices on Zinc

(New York Exchange Quotations).

Year	U. S. S. per metric ton
1912	153
1913	125
1914	162
1920	169
1921	103
1922	126
1923	146
1924	146
1925	164
1926	161
1927	137

The record price was reached during the war, in 1915, when zinc-spelter was quoted on the New York Exchange as high as 13.2 cents gold per lb., that is—U. S. $291 per metric ton.

In late years zinc-spelter ruled about *one cent gold* above lead for ordinary brands, and *two cents gold* above for brands practically free from lead, antimony or arsenic. Each per cent of ordinary spelter in a ton of ore means roughly $. 1.—gold, of which the miner receives about 50 cents gold. Possibilities of mining and concentration are usually estimated on above basis.

THE RUSSIAN FAR EAST.

The silver-lead-zinc ores of *Zabaikalia* Province, as has been already mentioned, are more or less surveyed only so far as the *Nerchinsk* district is concerned, and untouched reserves of metallic zinc in the latter alone are estimated at approximately 100,000,000 poods, or 1,638,050 metric tons. It should be noted that during the entire period of 150 years within which silver has been mined in Zabaikalia lead is still obtained merely as a by-product from silver mining, while the zinc-blende found in the ore *was totally* ignored and thrown away as a useless mineral which simply interfered with the smelting of silver and lead. During this century and a half there were formed at the old Nerchinsk mines *enormous mounds of almost pure zinc-blende*, in themselves of very great value. Such are, for instance, the colossal dumps of the old *Kadainsky* silverlead mine which contain, according to the estimate of an English company The Russo-Asiatic Consolidated, Ltd, (Leslie Urquhart) which during the war surveyed a number of silver-lead deposits in the Nerchinsk district, zinc blende to a value of several tens million dollars.

Besides the established untouched reserves of zinc in the Nerchinsk district, estimated only according to a few old more or less studied deposits of ore at up to 1,638,000 metric tons of metallic zinc, as stated above, also from 300,000 to 500,000 tons of metallic zinc are estimated to exist in the *Tetiuhe* region of *Maritime Province*. The above mentioned minimal estimate has been made by P.I. Polevoy, who for this purpose considered only those ores which were practically workable, and with a zinc contents of 17 per cent.

Thus, of 116 deposits of silver-lead-zinc ore registered by the Russian Geological Committee and which the Far Eastern Government Concession Committee counts as more than 500, the deposits of only two studied regions: Nerchinsk and Tetiuhe, exceed 2,000,000 metric tons of metallic zinc. If one takes into consideration the numerous deposits of silver-lead-zinc ores which give every indication of being not less interesting than the Tetiuhe, Kadainsky and other mines, it may be presumed that the zinc reserves in the Russian Far East are exceedingly large, *perhaps amounting to tens of millions of tons.*

In spite, however, of all these favorable conditions, the zinc industry, as such, does not as yet exist in the Russian Far East, with the exception of the insignificant mining of zinc ore at present, on the Tetiuhe mines.

It has already been stated that the zinc ore was not mined at all in the past, and in Zabaikalia Province it was given attention first just prior to and during the war. In 1914 there were mined 1,239,417 poods, or 20,318 tons of ore, all of which was exported, while no zinc was smelted locally. The exploitation of the zinc ore was more or less regular only at Tetiuhe, in the Maritime Province, but this was, however, upset both by the war and subsequent political complications in the Far East. During the period of normal pre-war exploitation, from 1911 to 1915, the Tetiuhe mines produced annually from 1,240,-000 to 1,740,000 poods (20,300-28,500 metric tons) of 45 per cent zinc concentrates, intended exclusively for export. In 1911 there were exported 23,500 tons of concentrates, while in 1912 export reached the record figure of 287,000 tons. From the very beginning of the war, i. e. already in 1914 export dropped immediately, and in 1918 reached only 1,340, tons. At the present time there has been formed for the working of the Tetiuhe mines an English Company, the principal aim of which is the development of the zinc industry at Tetiuhe.

According to the recent information of the Russian Far Eastern Statistical Board, there was exported from the Russian Far East, in the fiscal year of 1926-27, 4,453 tons of zinc ore and concentrate, at the aggregete value G. Rbls. 233,000.

The development of the zinc industry in the Far East, is in fact one of those problems which brook of no delay, because everything is in favor thereof: the existence of large, conveniently located deposits of ore, and the firm demand for zinc on the world's markets.

The Russian Far East has up to the present time consumed but little zinc itself. P. I. Polevoy has figured that the annual consumption of zinc in the Russian Far East has varied between 36 and 54 metric tons, but it should not be forgotten that in Russia proper zinc is produced in negligible quantities, and the country prior to the war produced but eight per cent of its own requirements. Zinc from the Russian Far East will always find a market in Russia, not to mention the fact that the Russian Far East *may to a great extent develop export of concentrates and of metal abroad, a trade in which China and Indo-China are intensely active.* The most satisfactory procedure would be to close agreements with concessionaires whereby the latter *would be obliged to smelt*, to the largest extent possible, all zinc *locally in the Russian Far East.* It has been figured out that with the construction of two zinc smelters, in the Nerchinsk District and at Tetiuhe, it would be easy to smelt annually from the deposits known not less than 150,000 poods, or 24,700 metric tons of zinc in pig.

(To be continued next week)

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China Considers Drafting of Modern Traffic Law

That the time has now arrived for the Chinese Government Railways to abandon their old "autocratic" attitude toward the public and assume their proper position of responsibility for developing the country, was the decision of the Advisory Committee on Fares, Rates, and Classification of Goods at a meeting held in Nanking on Jan. 11. Those present at the meeting were J. C. Choy, Director of the Administrative Department, Chairman, and the following members, Mr. Lockhart, Mr. Yu, C. S. Liu, K. F. Mok, M. Sun, C. S. Huang, C. L. G. Wayne, C. T. Shar, W. D. C. Chun and S. Y. Dunn, all being members of the sub-committee under the Ministry of the Government.

At the opening of the meeting, Mr. Choy explained that up to the present, transportation on the Chinese Government Railways had been controlled by regulations issued on the authority of the Ministry of Communications of the late Peiping Government. Now that China is working out a code of laws based on Western practice, it was highly necessary that provisions should be adopted regarding the duties and obligations of transport companies, including railways. The purpose of the meeting was therefore to consider the drafting of a definite transportation law which would, first cover the rights and duties of the railways as members of the community; and second, to determine their rights and duties in the preformance of transportation under transportation contracts.

The question was raised as to whether the time had arrived for such action, or in other words, whether the railways would be able under present conditions to live up to such regulations, if same were drafted. After considering various phases of the question, the Chairman decided that the time had arrived when the Chinese Government Railways should accept their responsibilities to the various communities which they serve and expressed his opinion that the Ministry of Railways should adopt what is popularly known in English law as "bailee's" responsibility, under which they would be responsible for any consequences which arise from wilful misconduct and gross negligence on their part in the carrying of passengers or goods. In orther words, it was decided that this should be their responsibility as a part of the community vis-a-vis other members of the community, and that this principle should be incorporated in the Code of Laws governing the commerce of the Chinese Republic.

The Matter of Contract

The first matter to be considered in connection with the drafting of a transportaion law was that of contract. It was agreed that subject to the provisions in the general law of the country, all risks from force majeure, the nature of goods transported. the action of outside authorities, or the actions of the owners of the goods, should not be placed at the responsibility of the railways in the transportation contract. But in cases of ordinary risks arising from transport such as accidents to trains, fires and the likes, which may be considered as misfortunes to the railways and the owners of the goods, that such risks should be covered by insurance. From a general standpoint it was decided that for the present only general principles should be decided on, thus leaving the matter of elaboration to the future in order that adjustments may be made to accord with the requirements ot the country.

In reference to the question of insurance, it was decided that in view of present conditions it would be difficult to introduce the insurance method generally, but that it should be done gradually on those railways which are able to live up to their responsibilities and then extended later to other railways as the situation improved the responsibility of the railways under the general law of the country, should, however, be adopted on all railways immediately. A sub-committee composed of Messrs. Lockhart, Char and Lo was appointed to prepare a draft of an insurance law.

The meeting then took up the question of passenger fares and discussed the possibilities of adopting a basic rate for the whole country. It was brought out in the discussion that conditions are not similar on all the railways because certain lines come into competition with other means of transportation, hence it would be necessary on lines which meet competition to adopt lower basic rates than on other lines where there is no competition. It was finally decided that in view of this situation, it would not be possible to adopt a basic rate on all lines because of the diverse conditions and that each line should be allowed, subject to the approval of the Ministry of Railways to fix its own basic rate for passenger fares and that the Ministry, after examining the various rates, should follow a policy of unification as far as possible.

The Various Classes of Fares

The matter of the difference between first, second and third-class fares received considerable attention, it being reported that the present rates for the different classes generally figure out on the basis of twice the third class equals the second class and three times the third class equals the first class. This proportion does not, however, hold on all the lines it being reported that the Shanghai-Nanking line, which must meet the competition of other means of competition, has a rate of four times the third class rate for the first class fare and even with this rate the charge for third class is somewhat lower than the rate charged by the other railways. There was also considerable discussion of the matter of instituting a fourth-class fare, similar to what has prevailed on the Shanghai-Nanking line, the purpose being to provide service for the very poor members of the different communities served by the railway administration. It was decided that it is the duty of the railways in certain areas where poverty conditions prevail that the railways should adopt the practice of granting fourth-class fares. In reference to the question of offering reduced fares for long-distance travel, it was decided to permit the present flat-rate system to remain in force. A committee composed of Messrs. Lockhart, Wayne and Shar was appointed for the purpose of examining the whole question of drafting passenger-traffic regulations as well as the matter of rates on parcels.

When the question of granting a basic rate for transportation of goods throughout the Government railway system was brorght up for consideration it was found that the same problems were involved as in the matter of passenger fares, that is competition and the element of service to the public. Under present conditions the railways have three separate classifications upon which freight rates are figured, that is on car-load lots, ton-lots and smaller quantities, the rates on ton-lots and smaller quantities being higher than on full car-loads of goods. In view of the fact that the proportion of charges between the two classifications has often amounted to as much as 100 percent, it was pointed out that this has provided opportunity for the development of transportation or express companies since these companies could accept merchandise in small lots and then hold the goods until they had accumulated sufficient for full car-loads. Many of these companies have been enabled to reap handsome profits because of the difference in charges on the railways between car-loads and smaller quantities. It was decided that this whole system of rates should be examined and while the railroads should charge more for smaller quantities than for full car-loads, the extra charge for small quantities should only be sufficient to compensate the railways for the extra car-space and labor-cost in handling. The matter of "tapering" charges for goods transport was also brought up and referred to a committee for consideration, as was also the matter of handling and terminal charges. In reference to the matter of handling charges it was decided that the railways should have a uniform system and rate for the so-called handling charges which should include such terminal expenses as storage, police protection to be included in a general charge known as "charges for extra service rendered by the railways in the handling of goods."

The Conference also deciced to adopt a standard "Community Group Index" to be published in different languages which would follow the general Chinese system of indexing in accordance with the nature of the products. This would provide for the commodity statistics to be kept in groups corresponding to the index so that information would always be available in dealing with the questions of rates in an intelligent manner. The classifications on the different lines will be published in the Chinese, English and French languages. The committee in charge of this work will also work out a method of investigating commodities for the purpose of classification and also for the purpose of working out exact definitions to be used in the sub-classification of various articles.

Another general meeting of the advisory committee on fares, rates and classification of goods will be held as soon as the various sub-committees have prepared their reports.

Japanese Arrest Chinese Student Agitators in Formosa

The *Nanking Times* in a recent issue noted the arrest by the Japanese authorities at Formosa of Seng Chien-lang, Kuo Teh-chung and other former students of the Whangpoa Academy and the Sun Yat-sen University in Canton, who recently returned to Formosa and organized the Revolutionary Young Men's Association and started an independence movement. The campaign of the students was based on an incident in Formosa last year when several Formosans were sentenced to long terms of imprisonment for having agitated for the independence of Formosa.

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RAISIN PIE

1 pound seedless raisins
1½ cups sugar
¼ inch cube of ginger
1 pint water
Juice of 1 lemon
Grated rind of half lemon
Pie Crust
Tapioca for thickening, if desired

Let the raisins stand in the water for half an hour, then simmer with the lemonrind and ginger, sugar and a few grains of salt, until they are perfectly tender and the resulting syrup is rich; then add the lemon juice and a tablespoon of tapioca, and allow to cook until the tapioca is tender and clear. In the meantime, line a pie plate with pie crust, cool the sauce, dust the lower crust lightly with flour, pour in the raisin mixture, cover with a whole crust or with criss-cross strips, and bake from 25 to 30 minutes in a moderate oven.

Raisin Tarts are made in the same way, only the mixture is poured into small pastry shells and covered with criss-cross strips of pastry or the top may be left open.

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CHINA'S FAMINE AREA

Within the Heavy Black Lines Are Enclosed the Nine Provinces Comprising China's Present Famine Zone

(Courtesy China Famine Relief)

OVER a vast expanse of territory in North China twelve million men, women and children in nine provinces are in the shadow of famine. Investigators in China for the American National Committee, China Famine Relief, 205 East 42nd Street, New York City, state that the number of those facing starvation in said region will reach 20,000,000 before Spring. China's famine area comprises the territory enclosed by the heavy black line on the map above. Its extent is approximately 338,000 square miles.

The famine map covers more than one-sixth of the present Chinese Republic.

If superimposed upon a map of the United States it would cover nearly one-eighth of the continental area of the United States. Its boundaries, roughly sketched across a map of the most thickly populated Eastern States, would embrace 15 States and the District of Columbia and still have left within the inclusion of some 6,000 square miles of territory.

The Committee is striving to raise in the United States, for the immediate saving of life among the starving, a portion of the $12,000,000 for which America and other nations of the world have been appealed to. It announces that contributions should be made to James A. Thomas, Treasurer, China Famine Relief, 205 East 42nd Street. New York City.

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KIANGNAN DOCK LAUNCHES NEW GUNBOAT IN RECORD TIME

—China Travel Service Picture

General and Madame Chiang Kai-shek Attend Launching of New Chinese Gunboat at Kiangnan Dock at Shanghai, where Gen. Chiang Delivered an Address and Mrs. Chiang Performed the Christening Ceremony. In the Picture (from left to right) are Madame Chiang Kai-shek and Mrs. Tsen I-ting, Gen. Chiang Kai-shek and British and American Naval Offic ers who Attended the Launching.

The launching took place at the Kiangnan Dock, Shanghai, last Sunday, January 27, of the gunboat *Yung Hsin*, which is being built by the Dock to the order of the Commander-in-chief of the Chinese Navy at a cost of $600,000. The *Yung Hsin* is 225 feet long, 35 feet in breadth and develops 4,800 horse power. Her speed is 19 knots and she will carry six four-pounders, a barrage of machine guns and three anti-air craft guns.

The launching ceremony took place under auspicious circumstances, among those present being General and Madame Chiang Kai-shek. General Chiang delivered a patriotic address on the occasion of the launching. Among other things, he said: "Our revolutionary naval officials and soldiers! Workers of the Kiangnan Dock! The ceremony today shows that the Chinese navy has built 1,500 tons within five months. If we keep up this rate we may expect a great naval force in a very short time. I remember when I made a speech at the launching ceremony of the gunboat *Han Lin* last year, I said that we hoped that in the coming fifty years China would have a naval force of 6,000,000 tons. But in view of this record our hope may be realized within five years. Thus our national defences would be strong, and we would be in a position to deal with the naval forces of the Powers. On behalf of the Central Kuomintang and the National Government I congratulate on the speedy development of our navy, and also hope that all of you will help each other in establishing a New China as well as a New Navy. Long live the Kuomintang! Long live the National Government! Long live our naval officials and soldiers! Long live the workers of the Kiangnan Dock! Long live our Navy!"

Chiang Kai-shek Appeals for Better Understanding of Modern China

Gen. Chiang Kai-shek, President of the National State Council, in an address delivered in Nanking on Wednesday, Jan. 23 before some fifty foreign newspapermen, made an appeal for a better understanding of present-day China. The party of foreign newspapermen made the trip to Nanking from Shanghai as the guests of the publicity department of the Central Executive Committee of the Kuomintang and spent the entire day inspecting various departments of the Government as well as the the government of the Nanking municipality.

Gen. Chiang in his address declared, "the day of military overlordship in China is gone forever and the impression that foreigners have that China is a country of perpetual civil-war with an unstable central government, must be corrected. The Government of China is no longer conducted on the lines of a military oligarchy, but is based on the principle of civilian supremacy. When foreigners grasp this fact they begin to understand new China. The Kuomintang is now moving heaven and earth to make new China a living reality and there isn't a single leader in China today who would dare to attempt a revival of the system of feudalism and military overlordship because any movement of that character would end in dismal failure."

Speaking especially to the newspaper correspondents, Gen. Chiang referred to reports which frequently appear in the newspapers abroad about this and that general who is alleged to be plotting the overthrow of the National Government and said that "certain foreigners in the political and military world compare present conditions in China with old history in the light of the eighteenth century. It is necessary for such persons to see China through new spectacles. We must all work for Sino-foreign amity because when China has reconstructed herself, she will take her place in the family of nations and in the work for universal peace and humanity."

In addition to the reception by General and Mrs. Chiang Kai-shek, the visiting newspapermen were entertained by the Mayor of Nanking, Liu Chi-wen; Yeh Tsu-tsang of the publicity department of the Kuomintang; Tai Chi-tao and Tsai Yuan-pei of the Central Executive Committee, all of whom delivered addresses. Tai Chi-tao in his address expressed appreciation for the visit of the foreign newspapermen and said that the old barrier which had separated the Kuomintang from the agents of publicity was gradually breaking down and that the world was gradually gaining a better understanding of the principles and purpose of the Kuomintang. Brief responses on behalf of the foreign newspaper correspondents were made by F. Oliver of *Reuters Service*; J. Plaut, *Wolff Service*; J. B. Powell, *Chicago Tribune*: Y. Ikeda, *Rengo Service;* L. V. Arnoldav, Shanghai *Zaria*; and Mr. Fontaneu of the *Journal de Shanghai*. Francis Zia, a member of the publicity department of the Central Party Headquarters, served as interpreter.

Ford and General Motors Both Have Assembly Plants in Japan

The Ford Motor Company of Japan, Ltd., subsidiary of the American Ford organization, has opened a new assembly plant with a capacity of 200 cars a day on the outskirts of Yokohama. This plant, as modern as any in the world, cost G$1,300,000.

Ford is only one of several American firms exporting to Japan which have found it wise to transplant a part of the manufacturing process to Japan, thereby saving in customs dues and labor costs. General Motors also has a large assembly plant on the outskirts of Osaka.

Shanghai Sharebrokers Association to Locate in New Building

The Shanghai Sharebrokers Association, which is the junior of the two stock exchanges operating in Shanghai, hah made arrangements with the Ezra Estate for the erection of a modern, new building on Ezra road, two floors of whics will be occupied by the Sharebrokers Association. The Association has found its present location in Jinkee road too small for its expanding business.

Promising Young Diplomat Passes Away in Shanghai

Wu Pou-i, Secretary of the Shanghai Bureau of the Nationalist Ministry of Foreign Affairs, died at St. Mary's Hospital on the morning of December 29, after a brief illness. His death was the result of tubercular spinal meningitis.

The deceased was only twenty-eight years of age, having been born in Ihwang-hsien, Kiangsi, January 25, 1901. In 1912 the young boy went to France, and studied in schools and universities in France and Belgium. Still a boy, he was caught in the war madness, and volunteered his services to Belgium, being awarded the Belgian Croix de Guerre when in his eighteenth year. He took to the sea for a while, and worked his way up to third officer, serving in this capacity for some two years, mainly on Belgian ships and in South America.

Mr. Wu early became a member of the Kuomintang, and several years ago was elected Secretary of the Party in Belgium, where for a time he acted as its representative. He returned to Shanghai in February 1928, after sixteen years abroad, and took up the secretaryship of the Shanghai Bureau of the Ministry of Foreign Affairs, where his perfect mastery of French, his vivid and pleasing personality, and his real courtesy and quick intelligence at all times, impressed most favorably all foreigners with whom he came in contact here. He appeared to be destined for a brilliant diplomatic future when this was cut short by his untimely end.

In addition to his work at the Ministry, Mr. Wu taught a class at the Institut Technique Franco-Chinois, where his ability and excellent personal qualities endeared him to all his colleagues. Mr. Wu had not been feeling well for some months, but it was not until Saturday, January 19, that he was unable to go to his office, and was taken to St. Mary's Hospital for treatment. His condition rapidly became worse, and ten days later he died.

The deceased was unmarried. He was the oldest son, his father being an old official much honored for his ability and integrity, now connected with the Chekiang Government. A considerable assembly of Chinese and foreigners, official and private persons, attended the sad ceremony on January 30 when the body was taken away to the mortuary utilized by the Kiangsi Guild, for removal at a later date. Many wreaths testified to the popularity of the deceased. All who really knew him liked and esteemed him, while the Kuomintang have lost in him a most loyal and devoted worker for the cause of his people.

French Minister Awaits Instructions Regarding Chinese Demands

The French Minister, Count de Martel, who has been conducting negotiations with Dr. C. T. Wang, Minister of Foreign Affairs, regarding a new treaty pertaining to Sino-French interests in South China, arrived in Shanghai this week and according to report will remain here for several days pending the receipt of instructions from Paris. The *Sin Wan Pao* on Jan. 29 and 30 contained reports of the negotiations stating that the provincial committee of Yunnan had sent a delegate, Chow Chung-yao to Nanking to confer with Dr. Wang and that Mr. Chow had demanded a complete abrogation of the so-called French "special position" in Yunnan Province including both railway and mining rights.

It was also stated that the Yunnanese Association in Shanghai had presented a series of demands upon the Nanking Foreign Ministry that all "unequal" treaties between China and France should be abolished; that Chinese be immediately granted the right of residence and travel in Tongking and French Indo-China; that the per capita tax on Chinese in French territories be abloished; that passport fees be reduced; that special taxes which the French colonial administration charged on Chinese goods passing through their territory to Yunnan province be abolished; that the French bank in Yunnanfu be withdrawn; and finally that the Chinese should be granted the right to purchase back the French railway which connects Yunnantu with Hanoi and that the Chinese also be permitted to purchase back the French mining enterprises in Yunnan province.

The French attitude was not disclosed, but the report in the Chinese paper stated that the French had indicated their desire to comply with the Chinese demands provided the Chinese would reimburse the French Government for its expenditures, the item for mining interests being $10,000,000 and the railway, $30,000,000. An article in the *China Times* on Jan. 30 stated that "in of view the fact that the French territories in the Far East had formerly belonged to China, the French Government had no reason to consider the Chinese demands as exorbitant" and that China would be satisfied with nothing short of complete equality for their respective interests in South China.

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China's Industrial Revolution

BY COUNT CARLO SFORZA

(Former Italian Minister of Foreign Affairs and Minister to China)

(From the New York Herald-Tribune Magazine December 10)

WHEN I went to Shanghai last year after a long absence from China, an American naval officer, whom I had known in Turkey with Admiral Bristol after the armistice, told me, when he came on board the boat to meet me:

"It is going to be strange for you to see trenches and sandbags in peaceful Shanghai—barbed wires cutting across the large, rich avenues; to see again the shadow of the great war on the full bustle of intense industrial life." . . .

It was really matter for wonder.

Even greater wonder and food for reflection was the sight of the Chinese peddlers, who, when our sentries were rather far off, hung their toys and sundry goods on the very wires of the trenches—making them useful for once, but in a way quite unforeseen by our gallant general staffs.

All that was so Chinese: Chinese, the great fear of the foreigners; Chinese, the natives' indifferent adaptation of any troublesome Western innovation.

But I was not new to China, as my American friend was; I could have known all that before landing; it was not in vain that my five years of Peking life were still so fresh in my memory. What, in reality, struck me as new was the streams of coolies coming out of the factories after work—all western-owned factories—buying a newspaper, throwing a rapid glance at it, then hiding it carefully in the depths of their filthy robes. It had only been a few years since I had left China, but at that time, not a single Chinese would have given a cent to buy any piece of political news.

That is what decided me to spend more of my Shanghai days in visiting Chinese factories than in going around with dear and sensible General Duncan, commander-in-chief of the British Expeditionary Corps, whom I had known and liked when he was Military Attache to Italy; or in discussing the situation with important and busy consul-generals.

There is a side of Chinese life which has never been examined by impartial observers—that is, the creation of a Chinese proletariat, based on conditions analogous to those in America and Europe—or, to be more precise (and excluding America, where the conditions of the working classes are such a humiliating lesson for Europe), more or less similar to the status of miners in England at the beginning of British industrial life in the first decades of the nineteenth century.

No Impartial Study

It is easy to see why the problem has never been studied impartially. If Consuls attempt to do so, though they have the best intentions, they find themselves dependent for their information upon American or European employers, often compatriots and generally unable, apart from other possible reasons, to see the importance of the problem. If the reports are made by labor, or other socialistic Western delegates, they judge by Western standards, and are therefore equally misled, if not equally wrong.

The difficulty of ascertaining material and moral facts lies in the almost complete impossibility for a Westerner to come into authentic touch with Chinese workmen. If we approach them through their leaders, we are probably even farther removed from them. These leaders have been to Singapore or to South Africa, sometimes even to California. They speak some pidgin English—a comical language, half Portuguese, half English, where, for instance, *save-box* means head. But, with all their newly acquired Western knowledge, they have forgotten and lost all the old peculiar qualities of the Chinese. For instance, I think of the unconscious effort toward beauty which one often finds among Chinese coolies, the sort of impulse to create folksong, that has almost disappeared from our Aryan family. It is probably through industrialism and the high pressure at which we live that we have lost the gift of popular beauty and joy of life which is still to be found in China and Japan,

What has been the Chinese laborer's life, and What is it actually at present? Generally speaking, no document should be read with more distrust than the speeches of the Chinese delegates to the League of Nations. The atmosphere at Geneva amplifies the Oriental's natural gift of painting his country's affairs in a tone as far removed from reality as were the Chinese stories in the Voltaire style, so popular with us at the end of the eighteenth century.

But the life of the Chinese laborer before the beginnings of industrialism in the East has been efficaciously described for once by the Chinese delegate to the last session of the International Labor Conference at Geneva. The idyllic note may have been slightly forced to dazzle the western barbarians, but it is true at bottom, especially viewed in antithesis to the life which the so recent industrialism of Shanghai tends to create.

The peasant of what our fathers called the Middle Kingdom is happy not because of any great material comfort, but because the fulfillment of his task carries with it a certain feeling of independence. It is as though he recalled—I quote from the pompous Geneva report—the maxims of his old philosophers, which have taught him the value of a simple life and of human dignity.

The Simple Life

The Chinese workmen's life is as simple as the peasants'. As a matter of fact, they were peasants themselves originally. They do not strain after material comfort to the same extent as Western workmen; they ask neither for amusements nor holidays. They make no complaints about salaries, scanty as they are. But they expect to be treated like human beings and not like machines.

Hence, it is not surprising if during the recent strikes in Shanghai, the chief and essential demands of the workers were: Greater courtesy from the superintendents and the right of talking to each other during working hours, while their committees were authorized to come to terms on the question of increased salaries. These are facts to remember in studying the Chinese labor problem.

Let us admit that, for once, Chinese evidence is nearer to the truth than the statistics compiled in answer to a circular which Mr. Ramsay MacDonald issued to his consular agents in China, when he first went to the British Foreign Office. The consuls applied for information to the employers, mainly English, who truthfully and in good faith were able to cite figures to show the huge improvements which modern industrialism had brought about in labor conditions, especially from a hygienic point of view.

But the importance of these things is far smaller in China than in America or in Europe.

At Shanghai I visited a big Japanese spinning factory—one of those in which the first strikes of 1925 broke out. I found that pay is good and that hours are not long for those parts—only ten and one-half hours a day. I went through the workrooms, accompanied by a Japanese inspector. Thousands of young Chinese girls stood rigid and dumb, at parade, their eyes fixed on their machine. Those were the orders.

The following day I went to a Chinese factory rather similar to the Japanese one. In the Chinese factory, where every one certainly was paid less, and where everything was dirtier, a general merriment reigned among the workmen, who even joked about the height of the "foreign devil" as he went by between two tiny Cantonese directors.

This little is all that remains of the old genial Chinese industrial life. When I say old, I speak of only twelve years back, when everything was based upon the family system, as were all Chinese ways of life.

The fact is that family links reach very far in China. Every Chinese was, and still is obliged to keep and to protect, whenever possible, his sons, nephew and brothers' nephews, *ad infinitum*. When there are no ties of cousinship, a certain amount of duty exists between folk from the same village, members of the same guild. A Chinese employer who was not surrounded by his relations or countrymen would have been looked upon as a monster, socially speaking.

From this resulted a kind of intimacy in everyday life. Those of us who, not content to play golf on the dusty links of old Peking, visited the carpet factories or porcelain works there before the war will remember the impossibility of distinguishing clearly between masters and men. There was no need for the owner to maintain authority by keeping his men at a distance—no one would have dared to fail in due respect to their 'uncle," for the sake of their own self-respect. As a result, under the old system, there was a family feeling between masters and men such as sixteenth century Europe knew in the cloth-weaving democratic cities of Flanders, or in Dante's turbulent but intimate Florence.

Long Hours, But Happiness Nevertheless

The hours of work were long—though no longer than in present-day Shanghai with its violent strikes—but they were broken up by impromptu rests. Did a procession with music pass down a neighboring street? Headed by the masters, every one would run out to look and they would only return after exchanging quips and jests. There was no weekly holiday, but long breaks—sometimes three weeks—at the New Year. During the dinner hour the same itinerant sellers would bring practically the same ragout for masters and men—at any rate, all had the same rice. Under these conditions, the Chinese workmen at least had the satisfaction of knowing that

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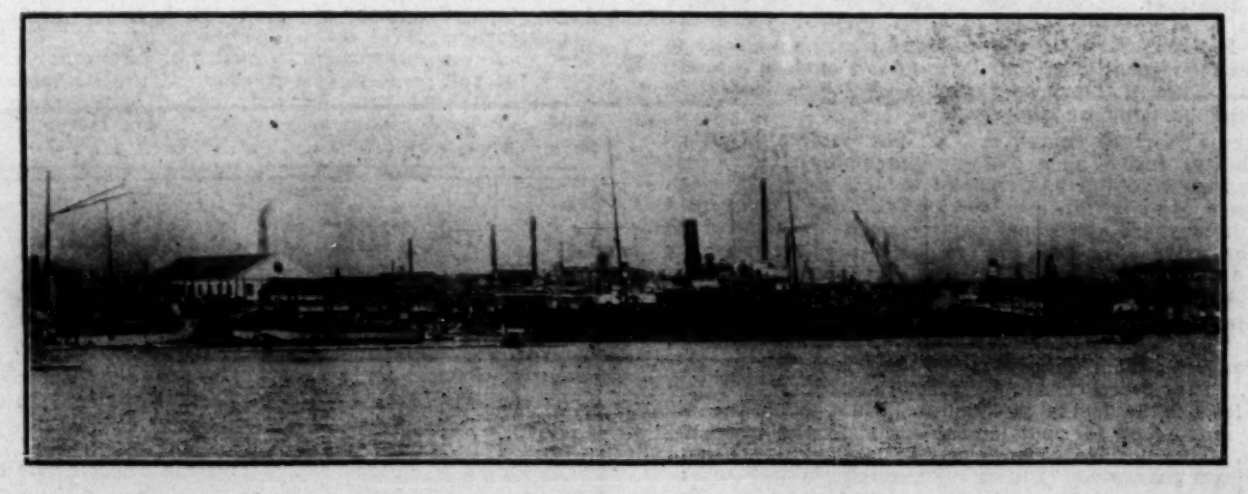


the same kind of life as his own was going on all around him.

What a gulf between yesterday and to-day! The workmen are no longer relations or pseudo-relations, neighbors or friends or neighbors; they are nothing but an unstable mass of individuals brought by hunger to Hankow or Shanghai or Tientsin from the provinces of the interior; each speaking a dialect often unintelligible to and one not of his own region, ignorant each of the other, knowing only the superintendent who engaged them.

He, their paymaster, comes between foreign master and men, but the pay rarely reaches the *n* intact—a certainper centage remains in his pocket as a fee for having engaged them. The European or American owner is aware of this and guesses that the wage he pays becomes a starvation wage. But, not knowing a word of Chinese, be never speaks to any of his men and soon learns how to dismiss any inconvenient qualms of conscelence. With the will to do so sometimes, he would not know how to prevent a "squeeze," of which in many other fields he himself becomes the victim.

So it happened that after some years of mute endurance strike began to succeed strike. The men have realized that the workshop is no longer a big, noisy family center, but a grim prison. Murders of foremen are becoming more and more frequent; an evident proof—so, at least, it seems to me—that such manifestations of discontent would have occurred even without the suggestions of agitators, foreign or otherwise. A Russian agitator would probably have advised a more brilliant coup than the murder of a brutal but unknown native superintendent. In killing him, the Chinese workman proves that he is satisfying a direct and personal hatred.

These are the sources of propaganda explaining certain sporadic cases of Bolshevism which have recently appeared even in distant regions of China, where certainly no Moscow agent has ever been. The Shanghai strikes are becoming legendary; workers in small native factories follow the fashion, and so there are, even in lost towns of the interior "movements" among tailors, barbers, pigkillers and "huoch'i" (shopclerks). Exaggerated echoes reach the consuls in the nearest ports (*nearest* meaning in China hundreds of miles), and they explain it all in their reports to their legations, easily and with finality, as proofs of wicked Russian influence.

Bolshevik leaders in Russia (in China there are no more to be seen now, all of them having been expelled—or killed) used to be delighted with these excessive honors paid to them and went on bragging, in Moscow papers, of successes in which their "merit" was in reality, nonexistent.

The lords of the Third International have a very scanty regard for truth: yet, a sincere confession escaped from Zinoviev when he avowed: "In China we have only made use of a situation which has sometimes appeared to be our creation."

Sovietism's Failure in China

The labor troubles in China do not need any foreign assistance. They are unavoidable. They are the result of the sudden destruction of an ancient equilibrium—the necessary outcome of a painful transition period—the consequence of the complete anarchy into which so many poor human beings are suddenly thrown after having grown up in villages and communities where the only law for a social and moral life was a familiar conception of authority. This authority has been broken, and nothing has come to replace it.

Let us look at the other side of the problem—the foreign employer.

If the industrial worker is a novelty so also is the modern type of employer. A good half of the cotton or silk spinning in China is in foreign hands: Japanese, English, Americans, French, Italians. Even if the foreigners were a minority, to them goes the responsibility for the origin of modern industry in China. Even if Japanese factories alone remained, their origin would be, none the less, Western.

Since a sort of moral, or, at any rate, a historical responsibility, rested upon the foreign employer, he would have been wiser not to try to escape from this, especially when the Chinese Ministry of the Interior in Peking promulgated two or three years ago some social legislation intended to dazzle—by naive copies of foreign laws—the bureaus of the "Office du Travail" at Geneva and the investigators the British Labor Party was beginning to send to China.

Those who are termed by a certain section of the British press as "English merchant princes" of the East showed a rather dangerous lack of psychology and foresight on this occasion. They were certainly right in thinking that the new Chinese laws, in the hands of Chinese officials, would become only an instrument for applying the screw to the inspected factories. They decided consequently to take refuge behind the privileges guaranteed to them by "exterritoriality," and to refuse point blank all access to their factories to the "inspectors" from Peking.

A recent British *Blue Book* contains a typically pompous phrase. It is from the British Consul-General at Hankow: "The British establishments have no reasons to fear the most searching inspections, but cannot admit the right of the Chinese Administration to interfere with their business."

Indeed, the certain incapacity and almost certain corruption of the Chinese inspectors justified every reserve. But a true understanding of the permanent interests of the foreign employers should have suggested to them generous free measures at the moment they were refusing their Chinese workmen the soi-disant Chinese guaranties. Not a bit of it. The following sentence is not taken from a labor inquiry, but from the last decennial report of the Inspectorate General of the Chinese Maritime Customs, the most important and conservative citadel of British influence in China: "It cannot be denied that the level of existence of this class of the population (unskilled laborers) has sunk to the most cruel and painful extent."

A "Grotesque" Demand

It was at the same time that most of the English newspapers in Shanghai treated as "grotesque and unheard of the demand which formed the object of the latest strikes:" Seats for the working girls or young mothers—who were working eleven hours a day, with no break for meals.

Indeed, with the exception of the Japanese firms, foreign firms employ women and children under twelve in a greater proportion than the Chinese houses. These are the latest figures for Shanghai: Chinese factories, 46,000 workers, of whom 57 per cent are women; European and American factories, 36,000 of whom 70 per cent are women.

Children under twelve come under a separate heading. American factories employ a few more than the Chinese, while European factories employ more than three times as many.

The promulgation in Peking of a law for industrial workers coincided with a humanitarian movement organized in the Shanghai Settlement by a group of enthusiastic and zealous Englishwomen, such as are always ready to espouse a cause with a sentimental side to it. Urged from within and from without, the Municipal Council (the supreme authority in Shanghai) appointed a child labor commission, which presented its report two years ago. The report recommended a series of mild measures, none of which could have entailed any serious loss.

Noboody contradicted the moderation of the proposals. But, all the same, this happened: Since the Land Regulations, which are the Magna Charta of the Shanghai Settlement, require a referendum to the rate payers of all measures of a general nature, the taxpayers were summoned to a meeting at which they were supposed to vote. The taxpayers having the right to vote numbered only 2,700, Chinese landowners and merchants in the settlement being excluded from all electoral rights, either because or in spite of the fact that their contribution in taxes forms 85 per cent of the whole.

The English Ladies' Committee set to work to insure a full attendance at the meeting, but less than 400 voters came to it. A quorum was lacking and the meeting had to be postponed. At the second meeting the attendance was even smaller. The opponents of the regulations silently gained their cause.

It is only fair to add that these gentlemen are not very pleased with themselves. They hide behind the poor reasons one usually finds in such cases. A leading member of the Shanghai Club—the great English club which prides itself on having the longest bar in the world and on having invented the Million Dollar Cocktail—told me: "It was a movement got up by lunatic women, of whom we have so many in our islands. How could we let ourselves be ruled by them?" The good man was trying to make anti-feminism his excuse.

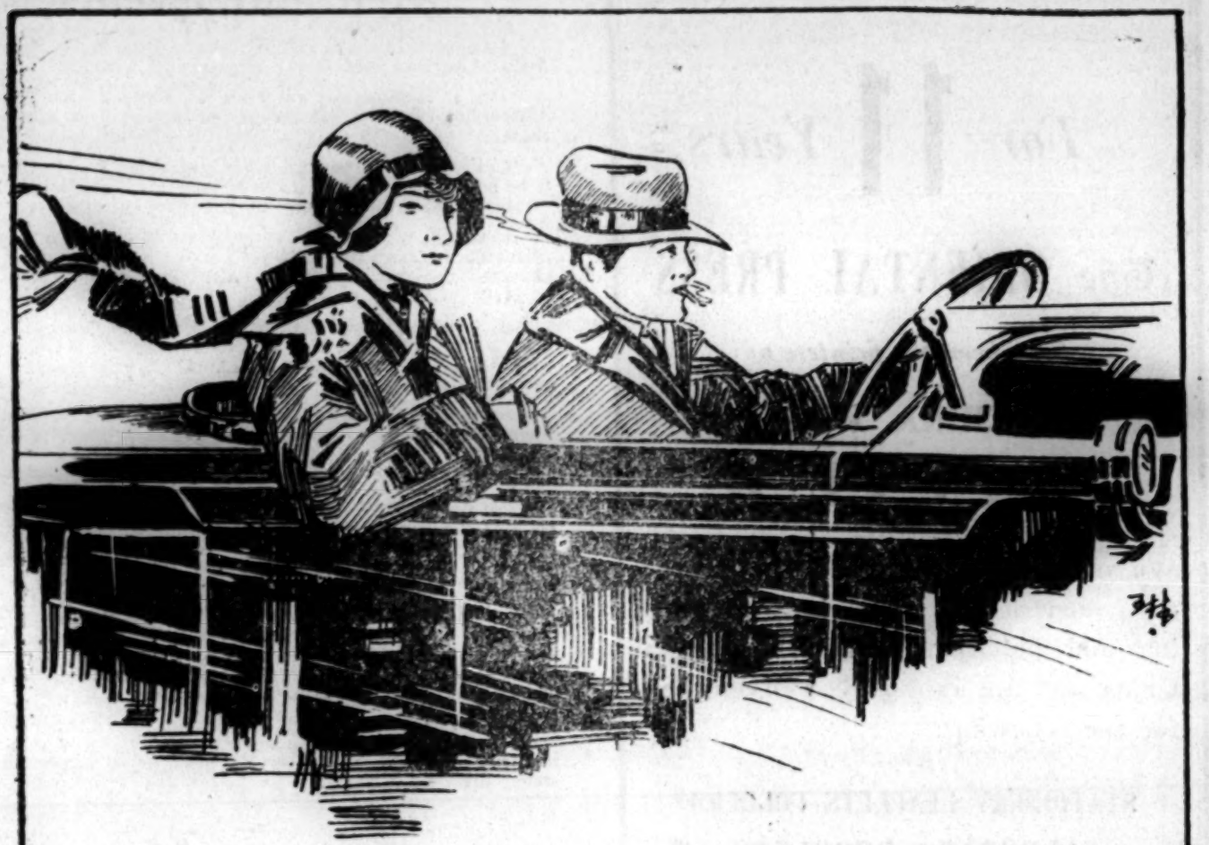
I listened, reflecting that some of the big planters of Virginia and Alabama probably talked in the same strain when they jeered at the books in which Mrs. Harriet Beecher Stowe dared to meddle with their Negroes. . . .

NOTICE OF REMOVAL

Offices of the Bureau of Commercial and Industrial Information (formerly the Bureau of Economic Information) of the Ministry of Industry, Commerce and Labor have been removed from 6 Kiukiang Road to the 4th Floor of the Customs Building, Hankow Road.

Bureau of Commercial
and Industrial Information

January 31, 1929.



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Men and Events

Lawrence E. de S. Hoover, representing W. A. Harriman & Co., American financiers, is at present in Shanghai.

Dr. J. S. Burgess, professor of sociology at Yenching University, Peiping, has departed on a trip to the United States.

C. F. Cress, representative of General Motors in China is to be married early in March to Miss Willie Margaret Robnett of Mexico, Mo., the marriage to take place in Tokyo.

F. Oliver, who has been connected with *Reuters* service in Shanghai, departed this week for Peiping where he will have charge of the office in that city. Mr. Oliver was accompanied by Mrs. Oliver.

A supper dance for members and their guests will be held at the American Club on Monday evening, February 11, which has been set apart as Ladies Night. Dancing will commence at 10 p. m.

At the Regimental Church services in Embassy theater, Shanghai, tomorrow, February 3, at 10 o'clock, the Regimental Band of fifty pieces and the Service male quartette will furnish a concert, the third during the present season.

Herbert Fleishhacker, San Francisco banker and capitalist, together with Mrs. Fleishhacker, Herbert Fleishhacker, Jr., and Alan F. Fleishhacker, arrived in Japan recently and will arrive in China in time to join the round-the-world liner Belgenland, *en route* to Manila.

Chinese students in New York City and the eastern states, held their annual banquet at International House, N. Y., on December 28. Addresses were delivered by Dr. C. C. Wu, Chinese Minister to the United States, Dean William Hung and Dr. Kilpatrick of Columbia University.

Chen Yao-huan, Chinese merchant in San Francisco, has arrived in Shanghai as the delegate of the Chinese in America to attend the burial of Dr. Sun Yat-sen. In an interview he stated that the National Government has the full confidence of the Chinese in the United States.

Wang Chen-hsun and 38 other young Chinese, who were recently released from prison and repatriated by the Soviet Government, in retaliation for the arrest of the members of the Embassy in Peking by the late Marshal Chang Tso-lin, arrived in Shanghai during the week.

The Ministry of Foreign Affairs at Nanking recently received a telegram from Dr. C.C. Wu,at Washington, D.C. that preliminary discussions are now proceeding between Dr. Wu and Muhtar Bey, Turkish Ambassador to Washington, with a view to concluding a new treaty between China and Turkey.

The Shanghai Public Benevolent Cemetery in Chapei,which has taken upon itself the work of collecting and burying dead bodies found on the streets. has issued a report of its operations for last year, which shows that free coffins were supplied for 81 adults and for 7,899 infants.

Dr. John Merle Coulter, who has been called the dean of American botanists, died December 23, 1928, of heart disease at his home in Yonkers, New York, at the age of 77. Dr.Coulter was born in Ningpo, China, on November 20, 1851, the son of Moses and Caroline Coulter, missionaries.

(*Continued on page 437*)

CUSTOMS NOTIFICATION NO. 1145.

Notice is hereby given that the Custom House will be closed, and the shipment and delivery of cargo suspended, on the following days:—

Sunday	10th February	
Monday	11th	,,
Tuesday	12th	,,
Wednesday	13th	,, (Spring Holidays).

W. R. MYEAR
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 30th January, 1929.

Who's Who in China

Chang Ki
張繼
(Chang Chi)

Hon. Chang Ki, is a native of Tsangchow of Hopei Province. He studied at Paotingfu and at the age of 18 went to Japan and studied Economic and Political Science at Waseda University in Tokyo. In Japan he made the acquaintance of Wu Lu Ch'en (assassinated in 1910 at Shih Chia Chuang), Chi Yuan Cheng (died at the Provincial Prison at Wuchang after being arrested by Manchus about 1907–8), Dr. Sun Yat Sen, Generals Hwang Hsing and Li Lieh-Chun and other noted revolutionists.

Later at Shanghai, he collaborated in publishing the *Soo Pao* advocating revolution, and openly attacking the Manchu Government. When his associates Chang Ping Lin and Tseu Yung were imprisoned by order of the Manchus, he started another publication known as *Kuo Min Kung Pao*, with others. Later he went to Hunan with General Hwang Hsing and founded schools with a view of spreading revolutionary ideas. Unsuccessful at his attempts, he fled to Japan and founded, together with his other colleagues, the Hua Hsing Huei, with a revolutionary programme.

After the Russo-Japanese war, a large number of Chinese students went to Japan. It was through the efforts of Mr. Chang that many of these students joined the Tung Meng Huei, the first revolutionary organization founded by Dr. Sun Yat Sen. While in Japan he started the *Min Pao* which was the official organ of the Tung Meng Huei. Incidentally he made a trip to Java and the Strait Settlements where he established schools for the education of Chinese emmigrants. Annoyed by Japanese interference in his efforts to spread liberalism, he left Japan for France. In Paris he made theacquaintance of Li Yu-ying and cooperated with him in the publication of the *New Century*. Later he travelled extensively in France, Belgium, England and Switzerland, sojourning at Geneva for a year.

In November 1911, he returned to China. Elected a member of Parliament, he came to Peking together with Sung Chiao-jen. In 1912, he was elected member of the Senate. At the time when the second revolution broke out he immediately left Peking for Shanghai and joined the revolutionary forces led by General Li Lieh-chun. When General Hwang Hsing was forced to abandon Nanking, Mr. Chang went down to Canton. Soon afterwards he left Canton for Tokyo where he remained until 1914.

In May 1914 he returned to France. In July 1915, he left France for England and then went to the United States. In Philadelphia he was joined by General Hwang Hsing, who was carrying on revolutionary propaganda. In November, he revisited Tokyo. In March 1916, he accompanied Dr. Sun Yat-sen to Shanghai when General Hwang Hsing was on his way to Tokyo from the United States. In July 1917, he accompanied Dr. Sun Yat-sen to Canton and organized the Constitutional Government with Dr. Sun as the Chief Executive. In 1918, owing to the internal discord among various factions, both he and Dr. Sun left Canton. In 1920, he went to Changsha and succeeded in pursuading General Tan Yen-kai, the Military Governor of Hunan, to support the Constitutional Government. In the same year he revisited Europe studying post war conditions in different-countries. In 1921 he again accompanied Dr. Sun Yat-sen to Canton and assisted him in organizing the Southern Government. In 1922, following the coup d'etat ot Chen Chiung-ming at Canton, he left the city for Shanghai. Soon afterwards, he was sent as Dr. Sun's delegate to interview Tsao Kun at Paotingfu and Wu Pei-fu at Loyang in return of the visit paid to Dr. Sun by Sun Yoh as a delegate from Tsao Kun.

After the *coup d'etat* of Feng Yu-hsiang in October, 1924, he and Li Yu-ying were instrumental in turning the Imperial Palace into a Museum. When the Nationalist Government was organized in Nanking, he was appointed member of the Chekiang Branch of Central Political Council. In the unification of Nanking and Wuhan factions, he was instrumental in bringing the Hankow, Nanking and Shanghai factions together by organizing a Special Committee of which he served as a member.

Mr. Chang is now serving as member of the State Council, Vice-President of the Judicial Yuan, senior member of the Commission for the Preservation of Antiquities, and chairman of the Peiping Branch of the Central Political Council

U. S. Trade Inquiries

The following trade inquiries have been received at the Office of the American Trade Commissioner, 3 Canton Road, Shanghai.

Motor Cars:—A St. Louis firm wishes to secure a representative in China for its line of motor cars.

Cables, Wires, etc., for Airplanes:—A firm manufacturing electrical wires, cables, harnesses, etc., for airplanes, is seeking a market here.

Airplanes:—A firm of manufacturers is interested in securing a representative in China for the sale of aircraft.

Dry Ice Machine:—A New York firm is anxious to place its "dry ice machine" in the China market.

Paints and Varnishes:—Manufacturers of paint and varnish are seeking representation in China.

Carbon Black, Turpentine, Newspaper Ink, etc:—Representation is wanted by manufacturers of turpentine, rosin, carbon black, newspaper ink and similar lines

Polishing Cloths:—Connections are desired in Shanghai for the sale of polishing cloth.

Motors and Appliances:—A firm manufacturing electric hair cutting machines and attachments, hair dryers and utility motor grinders is seeking a representative in China.

Foodstuffs:—A West Coast concern is seeking connections for the sale of such items as canned fish, fruits and vegetables, dried fruits, fresh apples, flour and stock foods.

Lumber and Building Materials:—A firm exporting lumber and building materials wishes to find a market in China.

Agricultural Implements:—An agency in China is wanted for the sale of agricultural implements.

RadioTables:—Manufacturers of radio tables wish to secure a representative in Shanghai.

Drum and Barrel Cleaners, etc:—An East Coast company, manufacturers of drum and barrel cleaners, agitators and fillers, is seeking an agency in China.

Cranes, Shovels, etc:—A firm selling cranes, shovels, pull-shovels, draglines, skimmers and trailers, is anxious to become established in this market.

Rapeseed Oil & Fluorspar:—A Los Angeles firm wishes to make arrangements for the purchase of about 100 drums per month of crude rapeseed oil (brown) and also for fluorspar.

British Legation Representative to be Stationed in Shanghai

Basil Newton, Counsellor of the British Legation in Peiping, has been appointed as the Legation's representative to reside permanently here in Shanghai. This action is taken by the Chinese as a sign of friendliness by the British and is also a practical step to facilitate business between the National Government and the British authorities in China.

Japanese News Reports on Chinese Situation

The following news reports are summaries of news messages dealing with the Chinese political situation and Japanese activities in China which are distributed to the Chinese and foreign press in China by the Japanese semi-official Toho News Service:

Nanking, Jan. 24.—Chinese pickets arrest Korean newspaper man as he is about to enter Japanese Concession at Hankow.

Tokyo, Jan. 24.—Privy Council deliberates on Note concerning Sino-Japanese tariff pact.

Nanking, Jan. 24.—Dr. C. T. Wang and Chiang Kai-shek confer as to attitude to take in negotiations with Mr. Yoshizawa.

Nanking, Jan. 24.—Japanese Minister Yoshizawa calls on Dr. C. T. Wang.

Tokyo, Jan. 25.—First Secretary Tani proceeds to China on inspection tour.

Tokyo, Jan. 25.—Following consideration of the new Chinese tariff rates at a meeting of the Privy Councillors, Premier Tanaka states that the date of Japan's recognition of National government will depend on the outcome of Sino-Japanese negotiations.

Nanking, Jan. 25—Japanese Minister Yoshizawa expresses wish that future negotiations on China matters be held at Shanghai.

Tokyo, Jan. 25.—Premier Tanaka, replying to an interpellation in the House of Representatives, states that Japan, while sympathetic towards the National government of China, could not ignore her legitimate rights and interests in any part of the country.

Peiping, Jan. 26.—Anti-Japanese Association places wooden cages in prominent positions to imprison Chinese who use Japanese goods.

Dairen, Jan. 26,—In looting at Lungkow, Shantung, five Japanese houses suffer.

Nanking, Jan. 26.—Gen. and Madame Chiang Kai-shek give dinner party in honor of Mr. Yoshizawa.

Nanking, Jan. 26.—Mr. Yoshizawa in interview states that Japan has no territorial ambitions in China.

Nanking, Jan. 26.—Dr. C. T. Wang and Mr. Yoshizawa hold third conference.

Mukden, Jan. 26.—Explosion at Yentai coal mine kills 103 miners.

Peiping, Jan. 28.—Sino-Belgian joint committee being formed for relinquishing Belgian concession at Tientsin.

Nanking, Jan. 28.—Dinner party which was to have been given by Mr. Yoshizawa to Dr. C. T. Wang and other members of Ministry of Foreign Affairs is cancelled owing to death of Prince Kuni.

Peiping, Jan. 29—Cheng Chien, ex-Civil Governor of Kiangsu, dies at Mukden.

Nanking, Jan. 29.—Mr. Yoshizawa and Dr. C. T. Wang hold another conference. Mr. Yoshizawa, after conference, stated that conversations were of friendly nature.

Tokyo, Jan. 30.—Owing to nation wide slump in rice market many rural communities are in straits and ask that Government purchase rice to save the situation.

Mukden, Jan. 29.—Chang Hsueh-liang in interview states that he was forced to execute Yang Yu-ting in the interests of the country, but reiterates that Yang had nothing to do with the death of Chang Tso-ling.

Peiping, Jan. 30.—Tokyo Privy Council, having passed the new Chinese Customs tariff, Charge d'Affaires Hori forwards Note to the National Government at Nanking.

Shanghai, Jan. 30.—Mr. Yoshizawa arrives here from Nanking and in interview lauds sincerity of National government officials.

Canton Authorities Publish Report on Communist Outrages

A *Rengo* dispatch from Shanghai, January 26, published in the *Japan Chronicle*, quotes a report published by the Canton authorities setting forth the havoc created by Communists in Canton last year. It says that 60 outrages were committed during the 12 months, 417,850 houses were looted or burned, 47,760 persons were killed, and damage done to the amount of $176,163,000, while 4,254,600 persons were affected by the outrages.

From the Chinese Press

(News items pertaining to Chinese politics and general affairs appearing under this heading, are taken chiefly from the daily reports of the Kuo Wen (independent) Kuo Min (Nanking official), Ta Chung (Kuominchun) and from translations of articles and dispatches appearing in the local Chinese press).

Saturday, January 19.—Appointments of Dr. C. C. Wu, Minister to U. S. A., and Dr. Alfred Sze to London confirmed.—Kwangtung province announces that opium smoking is to be prohibited from March 1 next.—Wang Peh-chun, Minister of Communications, plans extensive improvements in administration of telegraph service.—Canton Aeronautic Association plans commercial air service to Shanghai, with Foochow as stopping off point.—Foreign residents of Chinese area around Shanghai informed that they must give shop guarantees or supply confirmation from some foreign Consulate that they are properly registered.—Shanghai-Nanking railway management announces that condition of line is very prosperous.

Sunday and Monday, January 20 and 21.—Dr. C. T. Wang in statement promises full protection to foreigners, and special precautions for Japanese as soon as the latter withdraw their forces.—Gen. Ho Ying-ching to be sent to Szechuen to engage in rehabilitation of said province.—March 5 set as date for removal of Dr. Sun Yat-sen's remains from Pinyun Temple to Peiping West Station.—Special bandit suppression expeditions being organized in southern Honan and Western Kiangsi.—Yangtze River Conservancy Board decides to undertake improvement of river's course in three stages.—Feng Yu-hsiang orders arsenal at Kunghsien to be converted into a factory for agricultural implements.—North China Commercial Aviation Association is being organized at Peiping.—Announcement made at Nanking that $70,000,000 to date subscribed to proposed Domestic Industrial Bank.—Admiral Chen presents petition to Military Disbandment Conference to increase naval defenses of the country.—Decision reached at Nanking that onethird of the members of Provincial Government committees of Charhar, Suiyan and Jehol will be Mongolians.—Resolution of Federal Council of Churches at Washington expressing best wishes for National Government received at Nanking.—Report submitted to Military Disbandment Conference at Nanking shows that actual number of infantry troops in China total approximately 88 divisions and 13 brigades.—One thousand cadets graduate from Central Military Officers Academy at Nanking.

Tuesday, January 22.—Count de Martel, French Ambassador proceeds from Peiping to Nanking to arrange conclusion of new Sino-French treaty—Executive Yuan issues order for abolition of inland tax bureaus and kerosine special taxes throughout the country February 1, when new tariff is to go into effect.—Special detention house to be built at Suiyuan so as to accommodate large number of prisoners.—Long distance telephone service plans in Kwangtung province make good progress.—Customs Administration Committee decides that salaries of Chinese Customs employees are to be raised.—Statistics on China's economic condition to be compiled by Legislative Yuan—Nanking receives notice that the German government has ratified recently concluded Sino-German treaty.

Wednesday, January 23.—Chunghai and Nanhai palaces at Peiping to be converted into national parks.—Tientsin-Pukow railway to be opened shortly following completion of temporary repairs to Yellow River bridge.—Wang Ching-chi, Minister to Belgium, arrives at Geneva to attend international opium conference.—Hopei provincial civil government established in Luanho following evacuation of Fengtien troops—Central Party headquarters at Nanking makes extensive preparations for holding of Kuomintang third national congress March 15.—Inhabitants of northeastern Szechuen organize volunteer corps with headquarters at Chungking so as to protect themselves from predatory generals.—Decision reached at Military Disbandment Conference that an office for the reorganization of the navy is to be established.

Thursday, January 24.—Ministry of Railways to take jurisdiction over three main railways in Kwangtung.—Yen Hsi-shan plans to return to Peiping and then to Shensi as soon as disbandment conference at Nanking is ended.—Hu Yo-yu, personal representative of Chang Hsueh-liang arrives at Nanking from Mukden.—Ministry of Communications orders investigation into recent sinking of s. s. "*Hsin Hua*."—Five American airplanes arrive at Hankow and are being assembled.—General Teng of Szechuen telegraphs to Nanking that generals in the province are gathering for a conference.—Nanking receives notification that Myhter Bey,

Turkish Ambassador at Washington, is empowered to conclude new treaty with China.—Central Political Council adopts regulations for organization of National Finance Committee.—Feng Yu-hsiang successfully opposes recommendations made at Military Disbandment Conference to pay officers higher salaries.—Executive Yuan holds 12th meeting.

Friday, January 25.—Wu-Han district to be organized into a Municipality with Pan Yi-chih as mayor.—Sino-American Committee on damages resulting from Nanking incident holds another meeting at Nanking.—Feng Yu-hsiang recommends an inspection of famine stricken areas.—Fengtien troops continue evacuation of Luanho region.—Archbishop Constantini is received in audience at Nanking by Chiang Kai-shek.—C.P.C. holds 172d meeting.—Tai Chi-tao and Sun Fo are appointed representatives of C.E.C. on National Finance Committee.

Saturday, January 26.—Hsiung Hsien-chi is appointed Commissioner of Foreign Affairs for Hunan.—Plans are made in Shanghai to hold aviation conference in the spring.—Ministry of Finance announces that all native machine-made articles will continue to be subject to the usual export levy of 2½ per cent and also 2½ per cent surtax.—Pai Tsung-hsi asks to be relieved of post of Field Commander of Fourth Group Army.—Feng Yu-hsiang orders 20,000 picked troops to be sent to north-eastern Shantung to completely exterminate remnants of Chang Chung-chang's followers.—Bronze statue of Dr. Sun Yat-sen to be erected at Tien-An gate at Peiping.—Military disbandment conference holds final session at Nanking.—C. E. C. standing committee holds 192d meeting.—Sun Fo presents gigantic scheme for railway construction to State Council.

Sunday and Monday, January 27 and 28.—Gunboat *Yung Sui* launched at Kiangnan Dock at Shanghai.—Basil Newton to be stationed at Shanghai as Peiping British Legation's representative so as to maintain close contact with National government atNanking.—Tientsin-Pukow railway announces that a new $300,000 administrative building is to be erected near the San Pai Lou at Nanking.—State Council spkesman states that meetings betwen Dr. C. T. Wang and Mr. Yoshizawa are not entirely devoid of results.—Li Ping-hsien announces at Peiping that he does not think it necessary to take over from Pai Tsung-hsi, as the latter's health is improving.—Military Disbandment Conference pledges faithful carrying out of program of disbandment.—New Belgian, Italian, Portuguese, Danish and Spanish treaties ratified at 9th session of Legislative Yuan.—State Council holds 17th meeting.—Madame Sun Yat-sen arrives in Peiping and will participate in late Dr. Sun's burial ceremonies.—Chang Hsueh-liang releases 18 Party members arrested during Chang Tso-ling's regime.—Chen Yuo-huan, special delegate of the Chinese in the United States, recently arrived from SanFrancisco, states that National Government has full support of Chinese on other side of the Pacific.—Officers and disbanded soldiers from North-eastern area to be sent to the Hsing-An region to engage in land reclamation work.—Progress being made in giving villages in Chekiang province autonomous government.

Tuesday, January 29.—Chiang Tso-ping at Berlin makes first official visit as Ambassador to Germany.—Decision reached that new coins of National Government shall bear design of plum blossoms around edge.—Gen. Chen Min-shu at Canton addresses 3rd provincial convention of Kuomiutang delegates.—C. E. C. standing committee holds 193d meeting.—Drafts of the civil code and other laws to be made as early as possible for presentation to the Legislative Yuan.—Chang Chi plans visit to Jehol to investigate conditions in that region.—Peiping to float $1,000,000 short-term municipal loan.—Mukden arsenal to be converted into agricultural implement factory.

"50 Jahre Ullstein 1877-1927"

The about phrase translates: "Fifty Years of Ullstein." That means to a German pretty much the same as if one said to an American: So-and-so many years of Scripps, or of Hearst. The great German publishing house of Ullstein has recently celebrated a half century of its existence and it has marked the event with the issue of a 400-page book which for typographical excellence cannot be excelled. It is profusely illustrated with mezzotints and colored photogravures. Ullsteins are not only newspaper and magazine publishers, but combine with the dissemination of news also the publication of books. As book publishers in Germany they rank with such concerns as: Doubledays, Scribners, Harpers and the Century Co. in the United States. At the head of the Ullstein publication stands the world-famous Vossische Zeitung. Other publications in the Ulstein string are: Berliner Morgenpost, Berliner Allgemeine Zeitung, B. Z. am Mittag, Berliner Montagspost, etc.

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New Books of Interest in the Far East

A Tragic Romance of Old China

The Imperial Dragon, by Judith Gautier. Published by Brentano's, New York. 319 pages. U. S. $2.50

"All are aware that if the shadow of a man take the form of a Dragon humbly following in his master's footsteps, he will one day hold in his hand the jade hilt of the Imperial sceptre."

Such was the belief among the people of old Cathay. In him in whose wake followed the symbol of Heavenly Wisdom men would have faith unbounded. For he was destined to be the Emperor of men.

In Judith Gautier's story the Imperial Dragon stalks behind a peasant farmer, one Ta-Kiang. One day while laboring in a field near Peking, Ta-Kiang answers the call of ambition and his rebellion against the earth supplies the opening chapter of this pleasantly written tale. He who witnesses Ta-Kiang throw down his hoe is a young and brilliant poet, Ko-Li-Tsin, who, seeing the shadow of the Dragon upon the ground at the peasant's back, encourages him in his decision to desert the soil. Humbly he pledges himself to follow Ta-Kiang in whatever vicissitudes life may hold in store for him. Yo-Men-Li, she to whom Ta-Kiang was betrothed before he became the victim—or benefactor—of the Dragon's shadow, also joins him, an acolyte happy to be of service to this man who would be king. And these two, Yo-Men-Li and Ko-Li-Tsin, keep their allegiance even unto death. However, a fine collection of amusing and exciting incidents occur to them before their demise.

Beginning with Ta-Kiang's revolt against the soil, the struggle for the Throne takes one through a plot full of amazing angles of adventure and intrigue, in which one is treated to a generous insight on the customs, habits and characteristics of the Chinese of those post-classical times. It is well-blended romance, beautifully written, and with a quite authentic background. It attains a charm which is not often paralleled by contemporary writers on ancient Cathay.

We salute Ko-Li-Tsin as an indefatigibly lovable sophist. Valiant, witty, whimsical, imperturbable Ko-Li-Tsin! The *Imperial Dragon* is worth reading for the savory loveliness of this fellow's humor, were there naught else to recommend it. His "poems in seven characters", delightful interspersions often evolved under the most satirically perverse circumstances, we found full of a quaint and vigorous beauty. Witness:

> O sad children of our country! behold, our faces are in the darkness, our eyes reflect no light. But our backs are lit by the brightness of the ancient glories, those suns upon the horizon. . .
>
> We are more desolate than the *yuen* bird without the *yuan* bird. We are conquered. Our pride, our glory and our power are gone. O lawgivers! O ancestors! do not deny your unworthy children, for it is the same blood that boiled aforetimes with pride in our veins, which now stands still at our hearts like a sea frozen by the cold. . . .
>
> But let the desire for a glorious deliverance be graven on your minds, as of old the high feats of the Three Sovereigns were engraved in the shell of the Divine Tortoise.

This the poet wrote upon a wall, using for ink the warm blood from the severed head of the lovely Yo-Men-Li, just before he offered his own throat to the executioner.

Ta-Kiang's effort to overthrow the foreign monarch within the Red City of Peking was defeated. For it happened that the Heir of the then incumbent Son of Heaven seeing in Ta-Kiang's footsteps the Dragon shadow, knew wherein lay his strength, and how best to combat it. He shouted at Ta-Kiang his discovery. And thus the second part of the proverb came to pass:

"But let no mouth open to disclose the miracle which the eyes have seen; for then destiny would be reversed and a cloud of evils would descend from heaven!"

The *Imperial Dragon* is a talented handling of a theme too often delivered in the ridiculous. Here are thrilling pictures of splendor through which move credible, interesting people. It is a thing of young dreams and fervent passion; of artistic honesty and richness of line; of writing of high promise by the daughter of one of the masters of French literature.

E. S.

The International Settlement

A Short History of Shanghai, by F. L. Hawks-Pott, D. D. Shanghai: Kelly & Walsh

As an old, and be it said conservative, resident of Shanghai Dr. Potts sketches the history of Shanghai, covering its development from a "mud flat" to the present International Shanghai. Probably no city in the world has witnessed such a wonderful transmutation—not even Chicago after the great fire. In this development there have been various distinct stages, usually connected with some political event; such for example were the Boxer troubles of 1900, the Mixed Court riots of 1905, the Revolution of 1911, and the May 30 incident of 1925. Up until the latter event, the net result of Chinese protests usually was that foreign political dominance was strengthened, instead of diminished. When the Manchu officials in 1911 fled, the Consular Body took the extreme step of taking over the Mixed Court and thus for fifteen years the Chinese residents of the Settlement found themselves not only under the legislative control of an alien people, but also subject to an alien judicial jurisdiction. An interesting detail of the Mixed Court incident of 1905 was that the then American Assessor, Julean Arnold (now Commercial Attache) upheld the attitude of the Chinese authorities in the jurisdiction to be extended over Chinese female prisoners.

The May 30 incident of 1925 marked the end of foreign flouting of Chinese wishes. Although cooler counsels in the meantime prevail, the fact is that, arising out of that incident, the Chinese at last secured something tangible in the way of the recognition of their rights, and not only was the Mixed Court returned to Chinese jurisdiction, but the Chinese for the first time were given a share in legislation. The process of the retrocession of the Settlement is, as a matter of fact, rapidly progressing, actually if not formally, and it will only be a matter of a few years more when the Chinese will control legislation in Shanghai as they now do in former foreign concessions at Hankow and Tientsin. Dr. Hawks-Pott rightly says that the future of the Settlement will in no small degree depend upon the spirit of co-operation and friendship between foreigners and Chinese.

Large Sales of American Motor-Busses in China

The Chinese promoters of a new 900 li (300 miles) motor road connecting the town of Hengchowfu in Hunan Province with the border of Kwangtung Province have placed an order with General Motors for 68 passenger trucks. The new road, according to report is practically completed with the exception of a 40 mile section near the Kwangtung border. Some 20,000 Chinese soldiers are being employed on the job. In addition to the foregoing order, the newly-organized Chinese Bus service in Hankow has just placed an order with General Motors for 16 Chevrolet passenger-busses. Still another order for a dozen similar business has been placed for the bus service in Nanking.

China Motors, agents for Dodge Brothers, also announce the sale of 60 passenger busses for service on a new road which is now being completed in Shensi Province that will connect the town of Tungkwan in Honan with Sianfu, the capital of Shensi. The *Ta Chung* news agency on Jan. 29 announced that an order had been placed with an American company for 20 omnibuses which will be used on a new road that has just been completed between Taian, Shantung Province, and Kaifeng in Honan.

Dr. Fong F. Sec Retires from Commercial Press

Dr. Fong F. Sec, chief English editor of the Commercial Press, the largest publishing house in China, has retired after 21 years service. He is a native of Sunning, Kwangtung, where he was born in 1869, and is another of many examples of the achievements of American-educated Chinese. When he visited the United States in 1922 he had conferred on him the honorary degree of Doctor of Laws by his alma mater, Pomona College.

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MEN AND EVENTS

(*Continued from page 432*)

Robert M. Trimble, an American government architect, has arrived in Shanghai from Pittsburgh, Pa, to complete arrangements for the erection of new Consular buildings on the present site in Whangpoo road. The old buildings are to be demolished and tenders for their demolition will be called for in the near future.

Miss Kuo Feng-min of Peiping becomes China's first woman District Magistrate, after having passed the examinations for appointment as magistrates in Chihli Province. She has been assigned to a post after being formally inducted into office together with about one hundred other successful male candidates.

The Shanghai Municipal Council has issued a Handbook of Municipal Information for 1929, which is largely a reprint of the Annual Report. In it are published the regulations governing the various Municipal institutions, scales of fees, licenses, etc. and much other valuable information which residents of Shanghai ought to know.

The newly-established *Pacific Affairs*, organ of the Institute of Pacific Relations, Honolulu, contains in its January number, three articles of more than usual interest, "Australia's Trade in the Pacific," by F. C. Benham; "The Chinese Woman in a Modern World," by Sophia Chen Zen; and "Japan's Educational Development," by Rokuro Nakaseko.

The December number of the *Political Science Quarterly*, issued by the American Academy of Political Science, N. Y., contains two articles of special interest in China, "The Emperor's Attempt to Reform the Chinese Government in the Summer of 1898," by Borton Butcher and "Missionaries and Politics in China—The Taiping Rebellion," by John B. Littell.

A recent *Ta Chung* news agency despatch from Nanking stated that *The North China Stvr*, an American daily newspaper published in Tientsin, is to be deprived of its mail privileges, according to an order issued by the Executive Yuan to the Ministry of Communications, because it had published rumors detrimental to the Kuomintang and the National Government.

Ernest P. Goodrich, Consulting Engineer of New York City, who has been employed by the National Government as an adviser in connection with the construction of the new capital buildings at Nanking and also for the construction of a deep-water port at Canton, will arrive in China about middle of March. Henry K. Murphy, architect of New York who is also coming to China in the same connection is now in Europe and will come to China by way of the Trans-Siberian Railway.

With a faculty and student body consisting entirely of men, the second Floating University organized by the University Travel Association of New York City is now making a world tour aboard the Red Star Liner *Belgenland*, due Shanghai February 11 for a two-day visit. The students on this second annual cruise of the Floating University hope to meet the Chinese students as the First College Cruise on the s. s. *Ryndam* did in November, 1928. The American Express Co. is handling the traffic arrangements.

Madame Sun Yat-sen Arrives in Peiping

Madame Sun Yat-sen has arrived in Peiping *via* Siberia from Europe, where she is attending the ceremonies in connection with the removal of the remains of the late Dr. Sun Yat-sen. Madame Sun Yat-sen, who is a graduate of Wesleyan College, Macon, Georgia, had previously booked a series of lectures in the United States, but these have been cancelled.

CUSTOMS NOTIFICATION NO. 1146
BONDED CARGO

Goods which have arrived in Shanghai prior to the 1st February, 1929 and have been bonded will pay duty at the old Tariff rates if withdrawn from bond on or before the 30th April, 1929. All bonded cargo withdrawn after that date will be subject to the new Import Tariff rates.

W. R. MYERS
Commissioner of Customs, Officiating

CUSTOM HOUSE,
Shanghai, 31st January, 1929.

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Write Traffic Department for full particulars.

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Pamphlet of 1928 Treaties

1928 saw the signature of new treaties between China and twelve foreign powers. All of these provided for tariff autonomy for China and mutual most favored nation treatment on tariff matters. Five of them also outlined definite steps toward the abolition of extra-territoriality.

Taken together, these treaties mark the beginning of a new era in China's treaty relations. The documents thus are invaluable as records and for reference purposes.

The full official texts of these treaties will be issued in pamphlet form by *The Peking Leader*. These will be on sale at the following prices, which include postage:

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PEKING, CHINA

American Gold Bond Quotations

Name of Security	Coupon Rate %	Date of Maturity		Sale Price Jan. 31	Approx. Yield to Maturity %
The National City Bank of New York		New Stock			
Argentine Government	6	Oct.	1,	295	1.35
Australia	4½	May	1, 1960	100¼	5.98
U. S. of Brazil	6½	Oct.	15, 1956	87½	5.38
Kingdom of Belgium	7	Nov.	1, 1957	97¼	6.67
City of Budapest	6	June	1, 1956	106⅝	6.49
Canadian Pacific Railway	4	Perpetual	Stk. 1962	82	7.47
Chgo., Milw., St. Paul & Pacific Rwy.	5	Jan.	1, 2000	84⅓	4.73
Chicago Rapid Transit Co.	6	July	1, 1953	79⅜	6.31
Chile Copper Co. Debs.	5	Jan.	1, 1947	91	6.76
Chile Government (Railway)	6	Feb.	1, 1961	95½	5.39
Cuba Northern Railway	5½	June	1, 1942	94	6.44
Republic of Costa Rica	7½	Sep.	1, 1949	92⅛	6.33
Chile Government	6	Sep.	1, 1961	102	7.31
Cuban Dominican Sugar Co.	7½	Nov.	1, 1944	93½	6.48
Kingdom of Denmark	6	Jan.	1, 1942	94¼	8.09
Dutch East Dadies	5½	Nov.	1, 1953	104½	5.51
Republic of Finland	5½	Feb.	1, 1958	104	5.21
French Government	7	Dec.	1, 1949	90⅜	6.19
German Government	7	Oct.	15, 1949	108⅜	6.26
German Central Bank for Agriculture	6	Oct.	15, 1949	107¼	6.33
German Central Bank for Agriculture	6	Apr.	15, 1960	87½	6.98
German General Electric Co.	6	May	1, 1938	90½	7.47
Greek Government	6	Feb.	1, 1948	93⅜	6.57
Ilseder Steel Corporation	7	Aug.	1, 1968	85¼	7.12
Kingdom of Italy	7	Dec.	1, 1948	88⅜	7.07
Japanese Government	6½	Feb.	1, 1951	97¼	7.25
State of Minas Geraes (Brazil)	6½	Mar.	1, 1954	101⅜	6.42
Mortgage Bank of Chile	6	Apr.	30, 1958	94½	6.92
Norwegian Hydro-Elec.-Nitro. Corp.	5½	Nov.	1, 1961	92½	6.56
Kingdom of Norway	6	Oct.	15, 1957	92½	6.05
Northern Ohio Power & Light Co.	6½	Jan.	1, 1952	103½	5.73
Republic of Peru	6	Dec.	1, 1941	99	6.62
Paris, Lyons & Med. Rwy.	6	Aug.	15, 1960	89⅜	6.82
Republic of Panama	5	May	15, 1958	101	5.93
State of Rio Grande Do Sul (Brazil)	6	June	1, 1963	94	5.38
Rhine Westphalia Elec. Power Corp.	6	Aug.	1, 1968	90¼	6.70
Saxon State Mortgage Inst.	6½	Dec.	1, 1953	94⅞	6.45
Saxon Public Works, Inc.	6½	May	1, 1946	95	6.99
Tokyo Electric Light Co.	6	Jun.	15, 1951	94¼	7.01
United Kingdom of Gr. Britain	5½	Feb.	1, 1953	90¾	6.78
City of Vienna	6	Nov.	1, 1937	104	4.89
Abitibi Power & Paper Co.	6	Cum. Pfd.	Stock. 1952	88	7.04
BelgianNat'l.Rwy.Pcptg. Pfd. Stock	6	(American	Shrs)	85	7.06
Cannon Mills Co. (Dividend $2.80 p.a.)		Common	Stock	82	7.32
General Mills, Inc.	6	Cum. Pfd.	Stock.	46	——
General Mills, Inc. (Div. $3.00 per annum.)		Common	Stock	98	6.12
Hershey Chocolate Corp. Convertible	4	Pfd.	Stock	86	——
Mohawk Carpet Mills, Inc. (Div. $2.50 p.a.)		Common	Stock	82	4.88
Pennsylvania-Dixie Cement Corp.	7	Cum. Pfd.	Stock.	75½	——
Willys Overland Co.	7	Cum. Pfd.	Stock	95	7.37
General Motors Corp. (New)		Common	Stock	100	7.00
Andes Coper Mining Co.		Common	Stock	82	——
United States Steel Corp.		Common	Stock	49	——
Standard Oil Co. of New Jersey		Common	Stock	182	——
Standard Oil Co. of New York		Common	Stock	51	——
Pennsylvania Railroad Company		Common	Stock	40	——
				78½	——

NOTE: The above quotations are subject to confirmation by The National City Company, New York City.

Shanghai Exchange for Week Ending Wednesday, 30th January, 1929

Exchange:—Only slight fluctuations have to be recorded in the London Silver market and at the close of the market yesterday the price was fixed at 26 5/16d for both spot and two months forward deliveries, as against 26 7/16d for spot and 26 3/16d for forward delivery at the time last week. The latest reports from London indicate that a quiet market prevails with a steady under-tone.

The local official T/T rate on London remains unchanged at 2/6⅜ although better rates have daily been available, but, in view of the near approach of the Chinese New Year settlement the slight premia which is offering for cash is remarkable at this juncture, and is undoubtedly attributable to the large stocks of silver held by the local banking institutions.

The past few days has seen an increased demand for T/T and in the aggregate a fairly large amount has been settled by importers. Export bills have also been in evidence, but not in sufficient quantities to equal the demand for T/T.

The tone of our market is quietly steady, and at the close to-day banks were sellers of gold telegraphic transfers at the following rates., on London 2/7 1/16., on New York 62 7/8, Yens 72 1/8.

Our stocks of silver are reported as follows:—

Sycee and Bar Silver ..... Tls.68,009,000 an increase of Tls. 58,000

Chinese and Mexican Dollars..... $ 103,320,000 an increase of $ 1,040,000

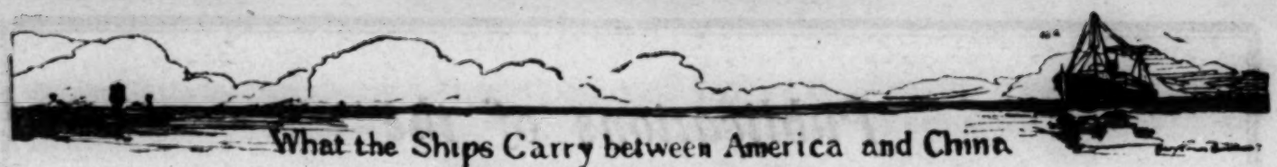
Estimated value Tls. 142,399,000 as against Tls. 109,565,000 held at this time last year.

	Average rates for Dec.	Thursday Jan. 24	Friday Jan. 25	Saturday Jan. 26	Monday Jan. 28	Tuesday Jan. 29	Wed., Jan. 30
Bank's selling rates		opening closing	opening closing	opening closing	opening closing	opening closing	opening closing
T/T London	2/7 125	2/6 3/4	2/6 3/4	2/6 3/4	2/6 3/4	2/6 3/4	2/6 3/4
D/Dfts ,,	—	2/6 13/16	2/6 13/16	2/6 13/16	2/6 13/16	2/6 13/16	2/6 13/16
4 m/s ,,	—	2/7	2/7	2/7	2/7	2/7	2/7
T/T India	171.906	169 3/4	169 3/4	169 3/4	169 3/4	169 3/4	169 3/4
T/T France	1,610.208	1590	1590	1590	1590	1590	1590
T/T N. Y.	62.916	62 1/16	62 1/16	62 1/16	62 1/16	62 1/16	62 1/16
T/T Demand		62 1/4	62 1/4	62 1/4	62 1/4	62 1/4	62 1/4
T/T Hamburg		261	261	261	261	261	261
T/T H'kong	78.755	79½	79½	79⅝	79½	79½	79½
T/T Japan	72.984	73 1/8	73	73	73	72 7/8	73
T/T Batavia	156.229	154¾	154¾	154¾	154¾	155¼	154¾
T/T Straits	90.125	90½	90½	90½	90½	90½	90½
Bk's buying rates 4 m/s B/L. Cred. D/A	2/9.125	2/8¾	2/8¾	2/8¾	2/8¾	2/8¾	2/8¾
4 m/s ,, D/P	—	2/8 7/8	2/8 7/8	2/8 7/8	2/8 7/8	2/8 7/8	2/8 7/8
6 m/s ,, B/L Cred D/A	2/9.437	2/9 1/16	2/9 1/16	2/9 1/16	2/9 1/16	2/9 1/16	2/9 1/16
4 m/s B/F Cred D/A or D/P	1,680.208	1660	1660	1660	1660	1660	1660
4 m/s N.Y.Lcs	66.161	65 3/16	65 3/16	65 3/16	65 3/16	65 3/16	65 3/16
4 m/s ,, Doc.	—	65⅞	65⅞	65⅞	65 7/16	65⅞	65⅞

†Based on Daily Official quotation higher rate taken on rising Market, lower when falling.

Bullion.	Jan. 24	Jan. 25	Jan. 26	Jan. 28	Jan. 29	Jan. 30
*London Price of Bar Silver per oz. (English Standard 925 touch)...Pence	26 1/16	26	26⅛	26 1/16	26⅛	26 1/16
**New York Price of Bar Silver per oz. (Pure)	G. $.56⅜	G. $.56⅛	G. $.56¼	G.$.56⅛	G.$.56¼	G.$.56⅞
Shanghai Price of Gold Bars (weight Tls. 10 (Chauping) 978 touch).....	Tls. 356	Tls. 355.00	Tls. 355.00	Tls. 353.80	Tls. 354.10	355
Shanghai Silver Bars (weight Tls. 100 (C.) 999 touch)	110.00	110.00	110.00	110.00	110.00	110.00
Shanghai Mexican Dollars per $100.....	71.9875	71.9	71.85	71.825	71.8625	71.8375
Native Bank Rate of Interest (Call money).....	1%	1%	1%	1%	1%	1%
*Closing Price in London for Previous day						
**Closing Price in New York for Previous day						

Bank of England rate of discount	4½%	London Paris on	T/T 124.08
Bank of France rate of discount	3½%	New York on London	T/T 484 15/16
London open Market of Dis. 3 m/s	4 3/16%	Bombay on London	T/T 1/6 11/32
,, 4 ,,	4 3/16%	Hongkong on London	T/T 2/0
,, 6 ,,	4 3/16%	Kobe on London	T/T 1/10 13/32



What the Ships Carry between America and China

Return of the Shanghai Customs

Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces, Mille—thousands; Hk. Tls.—Haikwan Tls.; Jan. Customs Rate Tls. 1.41 equal Gold $1

PRESIDENT MADISON, Dec. 4.

From U. S. A.

Ammonia, Anhydrous	Pls.	75
Canned Fruits	,,	337
Flour, Wheat	,,	735
Paper, Printing (Wood free)	,,	596
Paper, Writing	,,	18
Potatoes, Fresh	,,	356
Rice	,,	36
Hats, Felt	Doz.	64
Cigarettes	Mille	75,000
Chocolate	Lb.	1,500
Motor-trucks	Pcs.	8
Motor-cars	,,	39
Motor-cars Parts of	Hk. Tls.	2,522

EVERETT, Dec. 8.

from U. S. A.

Timber, Softwood:		
Merchantable	Sup.ft.	273,599
Ordinary, Sawn	,,	1,843,474

SUVERIC, Dec. 10.

from U. S. A.

Steel Plate Cuttings	Pls.	3,386
Steel, Galvanized:		
Wire Shorts	,,	556
Tinned Plates, Plain	,,	13,939
Chlorine	,,	97
Flour, Corn	,,	53
Tobacco, Leaf	,,	8,243
Tobacco, Stalk	,,	188
Cylinders, Empty	Pcs.	86
Scales	,,	28
Cigarettes	Mille	25,000
Oil, Lubricating, Mineral Galls.		17,643
Paints, Unclassed	,,	494

PORTLAND MARU, Dec. 11.

From U. S. A.

Hams	Pls.	2
Tobacco Leaf	,,	24,259
Tobacco, Prepared	,,	25
Cigarettes	Mille	400

KARPFANGER, Dec. 12.

From U. S. A.

Grease	Pls.	3
Wax, Paraffin	,,	999
Oil, Lubricating, Mineral Galls		39,699

SIBERIA MARU, Dec. 14.

To U. S. A.

Silk, Waste, Refuse:			
Shanghai	Bls. 1	Pls.	100.00
Newchwang	,, 15	,,	49.00
Silk Pongees, Honan	,,		32.00
Silk Pongees, Shantung	,,		7.44
Tea, Black, other kinds, Kiukiang		,,	221
Tea, Green:			
Gunpowder, Ningpo		,,	710
Antimony Regulus		,,	420
Cotton, Raw	Bls. 100	,,	392
Cotton Rags,		,,	75
Egg Yolk, Dried		,,	15
Feathers, Duck		,,	106
Nutgalls		,,	1,680
Eggs Fresh	Pcs.		30,000

PRESIDENT PIERCE, Dec. 14.

From U. S. A.

Awabi, in bulk	Pls.	35
Borax	,,	168
Butter	,,	40
Canned Asparagus	,,	134
Canned Fruits, Table and Pie	,,	118
Fruits, Dried	,,	8
Ink, Printing	,,	33
Lead-foil and Tinfoil	,,	1,051
Leather, Sole (Shoulders)	,,	36
Milk, Condensed	,,	54
Milk Evaporated	,,	317
Paper, Chipboard	,,	75
Peas	,,	41
Raisins	,,	1,575
Shrimps, Dried	,,	162
Soap Laundry	,,	10
Sugar, Refined	,,	41
Chocolate	Lb.	1,008
Beds	Pcs.	194
Motor-cars	,,	17
Motor-trucks	,,	4
Cigarettes	Mille	15,880
Lemons	,,	74
Oil, Lubricating, Mineral	Galls.	671
Motor-car Accessories	Hk. Tls.	220
Motor-cars, Parts of	,,	1,725
Treasure:		
Silver Bars	,,	745,077

PRESIDENT CLEVELAND, Dec. 14.

To U. S. A.

Silk, Raw, Steam Filature:			
White, Soochow	Bls. 10	Pls.	10.20
White, Shanghai	Bls. 425	,,	421.38
Yellow, Hankow	Bls. 40	,,	40.40
Silk, Raw, Filature:			
Wild, Dairen	Bls. 20	,,	20.73
Silk, Raw, Reeled from Doupions:			
Shanghai	Bls. 25	,,	24.96
Silk, Waste, Refuse:			
Shanghai	Bls. 73	,,	237.52
Chefoo, Antung, etc.	Bls. 44	,,	142.90
Silk Cocoons:			
Hankow	Bls. 17	,,	50.73
Silk Pongees, Honan		,,	16.80
Silk Pongees, Shantung		,,	13.84
Silk Piece Goods		,,	15.87
Tea, Green:			
Gunpowder, Ningpo etc.		,,	537
Other kinds, Hankow, etc.		,,	277
Young Hyson, Hangchow etc.		,,	130
Hyson, Hangchow etc.		,,	24
Tea, Black, other kinds, Hankow, etc.		,,	321
Egg Albumen, Dried		,,	182
Egg Yolk, Dried		,,	171
Brassware		,,	16
Feathers, Duck		,,	201
Hides, Buffalo		,,	294
Wool, Sheep's		,,	297
Walnuts, Kernels		,,	660
Skins, Dog, Tanned		Pcs.	7,404
Skins, Lamb, Tanned		,,	3,600
Skins, Sheep, Tanned		,,	2,000
Skins, Marmot, Untanned		,,	1,821
Carpets and Rugs		Hk. Tls.	3,317

HAVANA MARU, Dec. 7.

From U. S. A.

Cotton, Raw	Bls. 2,400	Pls. 8,777
Copper Ingots	,,	3,780
Leather, Calf	,,	6
Tobacco, Leaf	,,	3,986

Latest New York Stock Exchange Quotations

Swan, Culbertson & Fritz. Tel. 18891-18990 Jan. 30
Market Mixed. Business done, 4,087,600 Shares.

STOCK	Monday Jan. 28	Tuesday Jan. 29
Allied Chemical & Dye (Common)	278	272
American Can (Common)	111⅞	111⅜
American Smelting	115½	115⅞
American Telephone & Tel. (Common)	216¾	217
American Tobacco "B"	185¾	185½
Armour & Co. "A"	16⅝	16⅝
Armour & Co. (Ill.) 7% Pfd.	83	84
Anaconda Copper	124	122⅛
Baltimor & Ohio		121⅞
Bank of Montreal	412	412
Bethlehem Steel (Common)	83½	82⅝
Bethlehem Steel, 7% Pfd.	122	122
Brooklyn-Manhattan Transit	77½	78
Calumet & Hecla	53¼	52¾
Campe Corp.	100	100
Canadian Pacific Railway	249	249½
Cavanaugh Dobbs	34⅞	34⅞
Chile Copper	89	89⅜
Chrysler	120	117½
Consolidated Gas of New York	115¾	116¼
Coty Incorporated	80	77⅝
Davison Chemical	64½	67½
Dry Docks	22	22¼
Du Pont de Nemours E. I. (Common)	595½	600
Eastman Kodak	182	183¼
Fox Film "A"	95	94⅜
General Electric Co.	248½	247½
General Motors	209¾	205¼
General Railway Signal (Com.)	98	98½
Gold Dust	76⅛	76⅜
Granby Consolidated	88½	87¼
Haygart	49½	49⅜
International Cement (Common)	93½	95
International Match, Pfd.	94¼	94⅜
International Nickel (Common)	63¾	Mult.
International Printers Ink	62	62
International Products Corp. (Common)	14	13¾
Kelvinator	16¼	16
Kennecott Copper	153¼	152⅛
Keystone Aircraft	44¾	44⅝
Liggett & Myers, Class "B"	101¾	103
Lorillard Company (Common)	26⅛	26⅜
Mack Trucks	110	108¾
Madison Square Garden	19⅜	19½
Maytag Co.	23	22¾
Missouri Pacific (Com.)	64⅞	65
National Dairy Products	134¼	135¼
Nevada Consolidated Coppor	45⅛	44¼
New York Central Railroad	196¾	195
Pacific Gas & Electric Co.	57	59⅛
Packard Motor Car Co. (Common)	142	141⅛
Pennsylvania Railroad	79⅜	78½
Petroleum Corp. of America		34
Phillips Petroleum	39½	38⅜
Radio Corporation	373	373
Reynolds Tobacco, "B"	158	159¼
Sbell Union Oil	27⅛	27
Southern Pacific Railway		131¾
Standard Gas & Electric (Common)	89⅛	91⅜
Standard Oil of New Jersey	51	50⅝
Standard Oil of New York	41½	41
Texas Corporation (Common)	60⅝	59¼
Texas Gulf Sulphur	77⅛	76⅞
Timken Roller Bearing	78¾	78
Trans-America Corp.	130⅜	130
Transcontinental Air Transport	26⅛	25½
Union Carbide	217	215¾
Union Pacific Railroad (Common)	220⅞	219
U. S. Inter. Security Pfd.	100	100
United States Leather	58⅜	57⅝
United States Realty & Imp Co.	86⅞	87½
United States Rubber (Pfd)	87½	87
United States Steel	185⅛	184⅜
Vanadium Corp.	107¼	107
Westinghouse Elec. (Com)	153⅞	157⅛
Willys Overland Co.	31⅝	31⅜
Wright Aeronautical	268	267

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THE CHINA WEEKLY REVIEW
4 AVENUE EDWARD VII ***SHANGHAI***

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Chinese Government Railways

Peiping-Hankow Line

"The Road Through the Heart of China"

For the safety of the travelling public, guard vans with armed police are provided for every train and more than 400 armed railway policemen are on duty at the various large stations.

To facilitate the passengers in making fast connections, local trains are run between Chengchow and Chang Teh and between Hankow and Kouang Choei.

To meet the demands of the travelling public, third class tickets are sold on the Special Express Trains running between Hankow and Chengchow with only a small additional charge.

For quick transportation of goods, many additional freight trains are scheduled under the supervision of our Traffic Department.

In spite of the urgent demand for troop trains, our regular trains are always operated on scheduled time.

TIME TABLE

TRAIN	DEPART FROM	ARRIVE AT
* 1 Express	Hankow (T.C.M.) Every Monday 10 P.M.	Chengchow Every Tues. 6:55 P.M.
+ 2 Express	Chengchow Every Thurs. 10 P.M.	Hankow (T.C.M.) Every Fri. 8:40 P.M.
‡ 5 Local	Hankow (T.C.M.) 6:10 P.M. Daily	Chengchow 6:43 A.M. Third Day
6 Local	Chengchow 7:15 P.M. Daily	Hankow (T.C.M.) 6:48 A.M. Third Day
51 Local	Chengchow 8:00 A.M. Daily	Chang Teh 5:00 P.M.
52 Local	Chang Teh 8:23 A.M. Daily	Chengchow 5:45 P.M.
74 Local	Hankow (Y.T.M.) 7:30 A.M. Daily	Kouang Choei 1:38 P.M.
75 Local	Kouang Choei 8:00 A.M. Daily	Hankow (Y.T.M.) 2:10 P.M.

REMARKS: *With First and Second Class Sleeping and Dining Cars. +Third Class tickets are sold on this train with a small additional charge. ‡With 1st, 2nd, 3rd Class Cars and Dining Cars.

Telegraphic Address "KINCO" Code A. B. C. 5th Edition. For further information, address Hankow Line, Managing Director, Peiping-Hankow.

Lung-Hai and Pien-Lo Lines

In Operation: From Tapu (Haichow) to Lingpao: 825 Kilometers

In Construction: From Lingpao to Sianfu: 225 Kilometers

"The Great Overland Route in China"

This Line will soon become the most important Railway in China, connecting as it will, the remote provinces of Kansu, Shensi and Honan with the sea and passing through the ancient and famous capitals of Lanchow, Sian, Loyang and Kaifeng.

There are many points of historical interest to visit along the line, the best known being Lung-Men with its gigantic display of carved stone Buddhas, dating back from the introduction of Buddhism into China, some 2000 years ago.

The Lunghai and Pienlo Lines are connected at Hsuchow with the Tientsin-Pukow Railway and at Chengchow with the Peking-Hankow Railway.

An "Express" train runs thrice a week between Hsuchow and Chengchow leaving Hsuchow Monday, Wednesday and Friday, and leaving Chengchow Tuesday, Thursday and Saturday. This train is provided with 1st and 2nd class cars, sleeping and dining accommodations.

For further particulars, intending passengers are requested to apply to the Shanghai Office, Lunghai Railway Administration, at the Chung-Foo Bank Building, 25 Jinkee Road.

Shanghai

中華郵政特准掛號認爲新聞紙類

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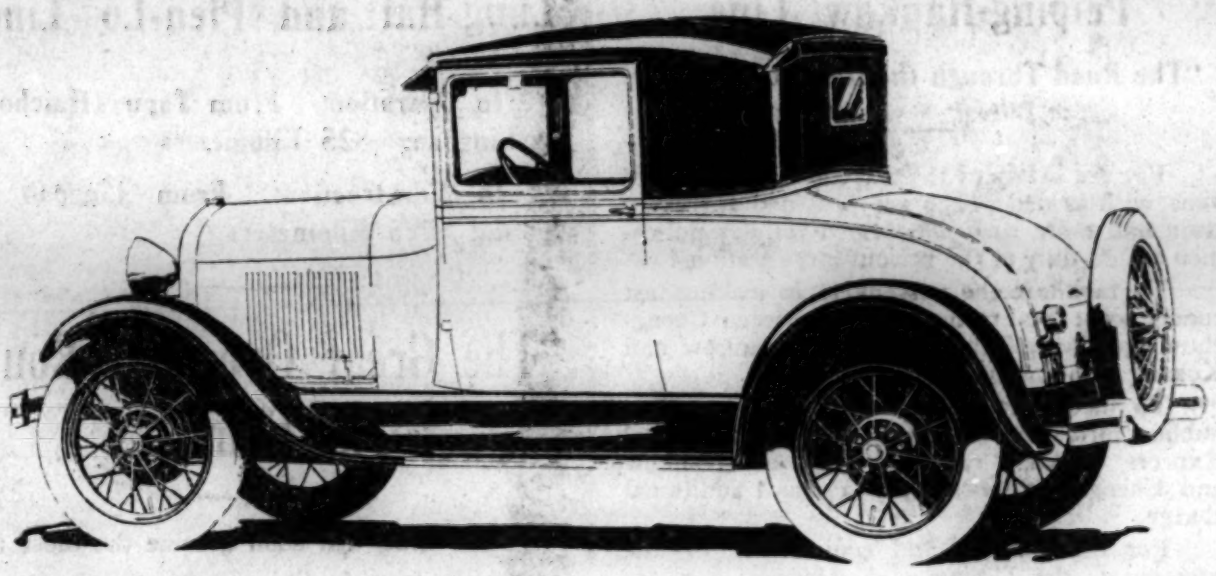
The New Ford Business Coupe



The remarkable performance of the new Ford is the direct result of the quality that has been built into every part.

It has beauty and colour because beauty of line and colour has come to be considered a necessity in a motor car.

Yet even more important than this outside beauty is the strength, efficiency and beauty of those parts which are on the inside—those vital mechanical parts which are the very heart of value and performance. It is well to look to this mechanical beauty when you buy an automobile.

When you examine the body construction of the new Ford, its engine, its transmission, its oiling, cooling and ignition systems, and its new vibrationless frame suspension, you will understand some of the reasons for its speed, safety, comfort, quiet, reliability and economy of operation and upkeep.

Above is illustrated the new Ford Business Coupe which has been specially designed to meet the needs of business executives,physicians, young clubmen, and for other men and women who use an automobile for its practical utility in their daily work as well as for pleasure in their hours of leisure.

It will be a real treat to have a demonstration ride in one of these cars, and we suggest that you permit our local dealer to arrange such a demostration at your convenience and without obligation.

Ford

Ford Motor Company Export Inc.

SHANGHAI.